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Special Report

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L. H. PETERSON,
NO.

California

State Board of Equalization

ON

The Relative Burden of State and Local Taxes in 1912



FRIEND WM. RICHARDSON, SUPERINTENDENT OF STATE PRINTING
SACRAMENTO, CALIFORNIA

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LETTER OF TRANSMITTAL.

HON. HIRAM W. JOHNSON, *Governor,*
Sacramento, California.

SIR, The investigation of state corporation tax rates upon which the Board of Equalization has been continuously engaged during the last four months has been completed, and herewith we transmit to you our report embodying the results in the form of a comparison of these rates with the average rate of taxation paid by property owners whose property is locally assessed. Expressed in the briefest terms, the purpose of the inquiry has been to determine by how much, if at all, the taxes which the "withdrawn" public service corporations are required to pay under the present schedule of rates, exceed or fall short of what they would be required to pay if the average tax rate in the State should be applied to them.

Although strict scientific accuracy is not attainable when the quantities dealt with are so much matters of opinion as are the market values of real and personal property, yet we feel confident that in the figures given in this report a close approximation has been obtained, and that legislation which may be based upon this information should result in doing substantial justice to all.

While reference must be made to the detailed report which follows for a full statement of the conclusions which have been reached, a concise summary of them may be convenient and therefore it is furnished in this letter.

It is the conclusion of the Board that—

The average tax rate in the State for all property except that of the withdrawn public service corporations is \$1.1386 upon each \$100 of actual value.

The average rates of taxes paid by the several classes of the withdrawn public service corporations, as determined upon the basis of a stock and bond valuation, are:

1. For railroads and street railways \$0.9092 upon \$100 of actual value of property.
2. For gas and electric companies \$0.75.
3. For telegraph and telephone companies \$0.9060.
4. For car companies (Pullman Company only) \$0.8813.
5. For express companies (Wells Fargo & Co. only) \$1.5413.

The Constitution itself fixes the rates of taxation for the banks and the insurance companies, being for the former 1 per cent upon the book value of the stock (paid-up capital stock, surplus and undivided profits), and for insurance companies, $1\frac{1}{2}$ per cent on gross premiums, less return premiums and reinsurance.

Also, for franchises the Constitution prescribes the tax rate of 1 per cent upon actual cash value to be determined in a manner to be provided by law.

Such reasons as exist for the modification, in particular cases or particular classes of cases, of the general averages above stated, are fully set forth in the report.

Respectfully submitted.

EDWARD ROLKIN,
Member Board of Equalization First District.

JOHN MITCHELL,
Member Board of Equalization Second District.

R. E. COLLINS,
Member Board of Equalization Third District.

JEFF McELVAINE,
Member Board of Equalization Fourth District.

A. B. NYE.
Controller and Chairman.

T. M. EBY, Secretary.

Sacramento, January 13, 1913.

INTRODUCTION.

The purposes of this report.

The new system of state taxation has now been in force for two full years, and the experience of those two years affords much information as to its operation. The financial results obtained, so far as the State is concerned, are set forth in full in the report of the State Controller. The work of the assessment of these taxes and the effect of the new system upon the counties have been fully set forth in the last regular report of the State Board of Equalization now in press. This report contains a study of the effects upon the different classes of taxpayers.

The Board of Equalization was able to make the special investigation of which the results are now reported without exceeding the appropriations made for its use in 1911. The exhaustive statistical studies of corporation values were made by Prof. C. C. Plehn of the University of California, who is the regularly employed expert of this Board, assisted by Stuart Daggett, Professor of Railway Economics, also of the University. Acknowledgment should be made of the great courtesy of the Railroad Commission, whose assistance was asked for at the commencement of the inquiry and which was freely rendered.

Reasons for this supplementary report.

Inasmuch as questions have been raised as to the adequacy of the present state revenues to meet the increasing demands upon the state treasury, and inasmuch as the equity of the rates of the state taxes depends upon whether they impose a burden equal to, or greater or less than, the average taxes levied upon property not taxed for state purposes, it becomes the duty of the State Board of Equalization, under section 3692 of the Political Code, and in furtherance of its powers under other statutory provisions, to collect and report such data as may be pertinent to a determination of any questions of equality or equalization.

The Board has therefore pursued an investigation along two lines: first, it has endeavored to ascertain the proportion of the local taxes to the true value of the property taxed for local purposes throughout the state; and, second, it has endeavored to ascertain the ratio of the state taxes levied upon the public utilities to the value of the property used by them. With the data there are submitted such explanations of the methods of collection as may be necessary to an understanding of the significance of the facts. No specific recommendations are made, for the reason that the data seem to be sufficient in and of themselves for the forming of a judgment of what it is proper to do in the premises.

How the state tax rates were originally fixed.

The theory upon which the rates of the state taxes applied to the gross earnings of the public service corporations were fixed was that these rates would be substantially equivalent to the rates of taxation paid by

other property owners—that is, they should be the equivalent of the average throughout the State, and not, necessarily, the equivalent of the burden borne in any one locality.

The method by which the Commission on Revenue and Taxation of 1906 arrived at the different rates for the different classes of public service corporations was set forth at length in the report of that commission, beginning on page 93. In substance, that method was to ascertain for each of the different classes of corporations the normal or typical ratio of net earnings to gross earnings, and then to capitalize the earnings so ascertained at a rate of interest assumed to constitute a fair return to the investors in the securities of such classes of corporations. A theoretical value for the property and franchises in use having been ascertained in this manner, it was then assumed, (as the data then available seemed to indicate to be the case), that the average burden of taxation throughout the State was one per cent of the true value of the taxed property, and one per cent of this theoretical valuation of the typical corporation's property of each class having been computed, the next step was to ascertain what rate applied to the gross earnings of such companies would yield an amount equal to that one per cent of the valuation. These theoretical rates, having been ascertained on the basis of a study of the typical or normal company, were then tested by ascertaining their probable effect upon California companies of each of the different classes. The greater part of the report of the aforesaid commission is devoted to the study of the business of the different classes of companies. The rates arrived at in this way were, as finally fixed by the Legislature in the constitutional amendment submitted to and adopted by the people November 8, 1910, as follows:

For railroads, including street railways, 4 per cent of the gross receipts.

For car companies, 3 per cent.

For express companies, 2 per cent.

For telegraph and telephone companies, $3\frac{1}{2}$ per cent.

For companies engaged in the transmission of gas and electricity, 4 per cent.

The rate for insurance companies was fixed at $1\frac{1}{2}$ per cent of gross premiums, less return premiums and reinsurance.

The rates for banks and franchises, which are taxed on an ad valorem basis, were fixed directly at 1 per cent.

PART I.

THE AVERAGE BURDEN OF LOCAL TAXATION.

The average ratio of the taxes upon the property taxed for local purposes to the full cash value of the property has been ascertained by this Board to be, as already stated, approximately 1.14 per cent. or more exactly 1.1386.

1. *Methods by which this ratio was obtained.*

The above ratio is not the average of the tax rates to the assessed value of the property but the ratio of the total taxes, state (Panama-Pacific Exposition), county, city and district taxes of every kind to an appraised value supposed to represent the full cash value of the property. As is well known, the assessors rarely assess property at the full market value thereof, but uniformly fall below that value. In some cases they fall far below; in general a little more than 50 per cent below. In order to ascertain the ratio of the tax to the market value of the property it was necessary for the Board to ascertain the true market value of property all over the State.

2. *Sources of information.*

The Board used the following means of obtaining the information concerning the true value of property: first and most important, it instituted the making of direct appraisements in thirty of the fifty-eight counties of the State, somewhat after the plan followed in 1909 when appraisements were made for purposes of equalization; second, in addition to this the Board had:

(1) Information concerning the sales and appraisements of property made by the courts in probate proceedings.

(2) The appraisements made under the direction of the courts and by appraisers selected by the State Controller for the purpose of fixing the state inheritance tax.

(3) The appraisements of property which had been made in many of the counties for the State Insurance Commissioner of the property upon which the insurance companies wished to make loans.

(4) The information upon relative values and the many points involved accumulated by the Board in its past work of equalizing and assessing taxes on property.

3. *The selection of property for appraisal.*

The first step in the work of the direct new appraisal was the selection of the property for valuation. In making the selection the Board endeavored to choose only representative property in each county. The aim was to obtain the value of what might be termed standard or normal property within the county—property, that is, which is well known, and which has a recognized saleable value on the market. For that reason no property situated in subdivisions which had been recently

opened up and placed on the market was included, because the value of such property would be highly problematical. Property was selected both inside and outside the corporate limits of cities and towns. The reason for selection of outside property was to make it possible to obtain correct data as to as many of the tax ratios on outside property as possible. These selections were made fairly and without prejudice from any previous knowledge, whatever, as to any tax ratios which might be shown by these and every endeavor was made to select good samples.

4. *Selection of appraisers.*

The next step was to select appraisers. The endeavor was made to have at least two in each county. Every effort was made to obtain the services of experienced persons. Among the best appraisers found were those who had already had experience in appraising property for the local banks or for the banks situated in the larger cities. When one such person was obtained in any case the effort was made to select for the second appraiser a well-known real estate dealer of established reputation in whom the Board could have confidence and who knew in general the values which obtained throughout the county.

Generally it was not easy to secure qualified appraisers who were willing to act, and oftentimes, in the smaller and more remote counties, it was impossible to find such persons who would undertake the work. In some of these counties sales of real property occur so seldom that it can hardly be said that such property has any established market value.

5. *The work of the appraisers.*

The appraisers were then furnished with typewritten lists of the property selected within their county and upon these lists they were instructed to set down the values to the best of their knowledge. The appraisements were made mainly upon real estate. In the case of the property outside of incorporated cities no attempt was made to have the appraisers fix values upon improvements such as houses, barns, fences, pumping plants, etc. The only improvements on "outside" property on which appraisements were made were fruit trees, vines and alfalfa. In the case of "inside" property certain modern improvements were selected for appraisement, but these appraisements were made separate and apart from the land appraisements. Our instructions to these appraisers were that in giving us their judgment and in placing a value on property they were to follow the definition of cash value as laid down in section 3617 of the Political Code, governing assessors in making assessments. We cautioned them that we did not want "boom" prices, nor on the other hand low prices; we desired the actual selling value of the property, the value for which property might be sold in the open market within, say thirty days' time. Of the thirty counties in which appraisements were made there were some three or four in which the appraisers in our judgment fell into error as to the values of property or possibly sought to mislead the Board upon the same point, but as all of the appraisals were carefully checked

by such other information as the Board had from the sources above referred to, these errors were easily detected. Whenever it was found that the appraisements were different from the other information which we had as to the property the attention of the appraisers was called thereto and explanations obtained which enabled us to make corrections. In three instances the appraisements were rejected entirely and the valuations of the counties in question based upon other information, such as returns of probate sales, inheritance tax appraisements, insurance appraisements, valuations of bank property, or information secured by members of the Board during visits to these counties.

6. *The computation of the ratio.*

The Board then ascertained the total amount of taxes levied in each county, including, as above stated, state, city, county, special road, special school, sanitary, and all other special taxes which entered into the total tax rate. Great care was exercised in this respect to see that we ascertained every dollar of taxes which had been levied for what is ordinarily termed "county and municipal taxation."

Upon receipt of the appraisements from the appraisers the Board then proceeded to ascertain the gross taxes of all kinds which were levied upon the property appraised and by means of the county assessments upon the same property we ascertained the percentage of assessed value to the actual appraised value. We then divided the taxes by the actual or appraised value of the property thus ascertained and obtained the ratio above stated.

7. *Valuations in counties where no new direct appraisements were made.*

In the counties where the Board did not obtain direct appraisements, information concerning the percentage of assessed to actual value was obtained in other ways. First, we applied to the assessor, explaining to him the information we were seeking, the reasons for it, and asked him to state, if he cared to do so, what percentage he endeavored to use in arriving at his assessments of property. In nearly every case the assessors furnished the information freely. Second, in most cases members of the Board visited the counties in question and endeavored to ascertain the ratio of assessed to true value by conference with real estate men and others well informed as to values.

8. *Revision and correction.*

Finally, all the appraisements, when completed, were submitted to the assessors for comment and criticism, and were corrected when good reasons therefor appeared. In the opinion of the Board the appraisements are very fair and reliable. The fact that they were not to be used for "equalization" purposes tended to make the appraisers and assessors more frank with the Board than has been the case in the past.

9. *Statistical tables.*

In the statistical tables which are appended to this report will be found the evidence supporting the conclusions reached, in respect both to local tax rates and to corporation valuations.

Table No. 1 shows the assessed values of non-operative property in each of the fifty-eight counties, the estimated actual values, the total of state, county, district and municipal taxes, the present average of total taxes to assessed values in each county and also the average tax rate which would prevail in each county if property were assessed at full cash value.

Table No. 2 gives the tax data in greater detail, showing the amount of each different class of taxes for all of the counties.

In Table No. 3 municipal assessments, taxes and tax rates for each city and incorporated town are given.

Taxes, assessments and estimated actual values upon the per capita basis are given in Table No. 4.

10. *The total of taxes.*

For the year 1912 the various classes and amounts of taxes collected in the State of California (excluding the corporation taxes and all other state taxes except Panama-Pacific Exposition taxes) are as follows:

State taxes -----	\$1,219,893 57
County taxes -----	34,676,537 55
Special school district taxes -----	5,737,365 41
Special high school taxes -----	4,745,906 89
Other special district taxes -----	359,424 30
Municipal taxes (excluding San Francisco, listed as a county) -----	15,950,599 52
Total -----	<u>\$62,689,727 24</u>

Included in the above amount is \$170,189.81 of taxes paid by withdrawn public service corporations on assessments of operative property for Panama-Pacific Exposition purposes. Excluding this, we have \$62,519,537.43 as the actual total of property taxes paid in the State by all taxpayers except the withdrawn public service corporations, and which amount is to be balanced against the sum of \$9,291,507.72, the total of state corporation taxes paid by the withdrawn corporations. The franchise taxes collected by the State do not enter into either side of this calculation.

11. *Per cent of assessed to actual value.*

The total of the county assessment rolls for 1912 is \$2,475,746,905, and the estimated true value of the property assessed, as determined by the methods already explained, is \$5,490,934,141. In other words, the proportion of assessed value to actual value is 45.1 per cent. This is the average for the whole State, the individual counties, of course, differing widely in their proportion of assessed to actual value.

12. *The average tax rate.*

In the same way the average tax rate for the State is obtained by dividing \$62,519,537.43, the total of taxes, by \$5,490,934,141, the estimated actual value. This rate is \$1.1386 per \$100 of actual value, as before stated.

13. *Other deductions from the tables.*

Many interesting results not directly connected with the main purpose of this inquiry are brought out in an examination of the columns in these tables which give the percentages and per capita of taxes paid. The highest average tax rate for any county is \$1.75 per \$100 of actual value, and the lowest is \$0.609.

Of the fifty-eight counties, twenty-nine have each an average tax rate exceeding \$1 upon \$100, and there are also just twenty-nine counties in each of which the average tax rate is less than \$1.

Of course there are many factors which enter into the making of the average rate. Counties in which there are no large cities or incorporated towns escape the additional burden of heavy municipal taxes which in other counties go to swell the average, while, on the other hand, the great centers of population are also the places in which the largest masses of wealth have been accumulated. Yet the highest average of wealth per head of population, over \$6,000, is found in one of the smallest and most remote counties in the State. In this case, of course, it is the smallness of the population rather than the largeness of the aggregate of wealth which produces the high average. Again, the highest per capita rate of taxation, \$40.38, is paid, not in Los Angeles or San Francisco, but in an agricultural county in the heart of the Sacramento Valley.

14. *The total of taxes paid in California.*

As a result of the Board's work it is possible to state accurately the total of taxes paid for all purposes in this State. That total, including all state taxes of every kind, and including poll taxes, inheritance taxes, and the corporation license tax, not considered above, and all local taxes (but excluding city and county licenses which could not be obtained accurately, but amount to at least \$3,000,000) is \$76,076,901.20.

Taking the population of the State in 1910 as 2,377,549 the per capita burden is \$32.00. The burden of local taxation alone, as shown in Table IV herewith, is \$26.30 per capita. Hence the State's taxes amount to \$5.70 per capita.

15. *Eighty-five per cent of the State's roll tested by the appraisements.*

Twenty-six counties in which appraisements were made and in which the appraisals were deemed fair, aggregated \$2,113,867,583 in assessable values out of a total assessment in the State of \$2,475,746,905, or 85 per cent of the total. The appraisements in these twenty-six counties showed an assessment of 45.2 per cent of actual. This vir-

tually sustains the findings shown in Table I wherein the assessed value to actual value is shown to be 45.1 per cent.

16. *Percentage of assessment of banks—1912. (Based upon 1911 county assessments.)*

The banks are required to file with the State Board of Equalization, among other things, the book value of their real estate and the assessed value thereof. The book values so reported are checked by the Board with a view to preventing undervaluation which might lessen the banks' taxable assets.

In the case of 561 such reports by banks the assessed values ranged from 20 per cent to 65 per cent of the book values and averaged 40 per cent.

This average is the more significant in that practically one half the cases are less than 40 per cent and one half more than 40 per cent.

As this property is scattered about the State and a large part of it is in cities, the result may be regarded as highly reliable and instructive.

PART II.

THE AVERAGE BURDEN OF STATE TAXES ON THE CORPORATIONS.

1. *Comparison of ad valorem taxes with taxes based on gross receipts.*

In order to compare the burden of the taxes on the corporations with the burden of the taxes upon the property taxed for local purposes it is necessary to reduce the corporation taxes to an ad valorem basis. Thus, the tax on the railroads and street railways is 4 per cent of the gross receipts. To compare this with the taxes on the lands of the State it is necessary to ascertain what ratio the taxes of the corporations bear to the value of the operative property used, and taxed in this manner.

As the state taxes on banks and on franchises are direct ad valorem taxes no such computation is necessary in these two cases; but for the railroads, street railways, gas and electric companies, telegraph and telephone companies, car companies and express companies the state taxes are all computed on the basis of gross receipts, and hence, for comparison, must be reduced to a ratio to some valuation of the property used.

2. *Methods of valuation.*

The various methods which might be used to value the property covered by the gross receipts taxes are set forth in full below. The results may be summarized first.

3. *Method used by commission of 1906.*

The tax commission of 1906 aimed to fix the ratio on gross receipts at approximately the equivalents of 1 per cent on the value of the property used. It used primarily the method known as "capitalizing net earnings." The technical details of the commission's method of computation are set forth and illustrated in the report and need not be gone into here. This method of "capitalizing net earnings" rests on the fact that the net earnings determine the value of the property. The commission applied this method to *normal* companies of each of the different classes and arrived at the following conclusions and recommendations as to the tax rates on gross receipts. (See, particularly, page 19 of the report of that commission.)

4. *Commission's recommendations.*

"On all railroad companies, including street railways, tax rate recommended, not less than 4 per cent nor more than 5 per cent; on all sleeping car, dining car, drawing room car, palace car companies, refrigerator, oil, stock, fruit, and other car loaning and other car companies, tax rate recommended, not less than 4 per cent nor more than 5 per cent. On all express companies, tax rate recommended, 3 per cent. On all telephone and telegraph companies, tax rate recom-

mended. $3\frac{1}{2}$ per cent. On all companies engaged in the transmission and sale of gas or electricity, tax rate recommended, not less than 4 per cent nor more than 5 per cent."

5. *Rates adopted.*

The Legislature, in 1907, in preparing the constitutional amendment for submission to the people, adopted the lower of the two rates recommended by the commission for railroads, including street railways, and for gas and electric companies, namely, 4 per cent, reduced the recommended rate for car companies to 3 per cent and for express companies to 2 per cent, while it adopted the recommended rate for telegraph and telephone companies of $3\frac{1}{2}$ per cent.

These are the rates now in force.

6. *Recomputation of the commission's 1906 figures for 1911.*

A recomputation of the rates by the same method as was used by the commission of 1906, but using the gross and net receipts for 1911 instead of those for 1906, gives substantially the same results as were reached by the commission, except in two cases—express companies and car companies.

(a) *Railroads.*

Thus the commission based its recommendation as to railroads and street railways on data showing that (see page 180 of the report):

Of every \$100 taken in as gross earnings from operations by the railroads, from \$34 to \$39 are net; that is, are available to pay interest, dividends, or other capital charges. The normal percentage of net to gross is in California about 36 per cent.

The commission found (see page 191) that street railways were substantially the same as steam roads as to the ratio of net to gross receipts.

An accompanying table shows that for the steam railroads of the country at large the ratio of net to gross, *taxes already deducted*, is slightly declining. Thus in 1906 it was 33.91 per cent and in 1912 30.83 per cent. The ratio of net to gross as reported to this Board for the California railroads and street railways, taxes not deducted, was as shown in detail in accompanying table 36.86 per cent. This is very close to the figures for 1906.

(b) *Gas and electric companies.*

The conclusions of the commission of 1906 as to gas and electric companies (as given on pages 210 ff. of their report) were that with due allowance for depreciation the ratio of net receipts to gross receipts was about the same as that of the railroads, and hence the commission recommended the same rates of taxation, to wit: not less than 4 per cent, nor more than 5 per cent.

The ratio of net receipts to gross receipts of gas and electric companies as reported to this board for the year 1911, and as shown in

detail in an accompanying sheet, was on the average 38.23 per cent. This agrees substantially with the railroad ratios above given.

(c) *Telegraph and telephone companies.*

As to telegraph and telephone companies the commission of 1906 found the following (page 208): "Taking all the foregoing tables and facts into consideration, the telephone and telegraph interests seem to represent a business whose net earnings are about 20 per cent of the gross earnings." On that basis it computed the rate at $3\frac{1}{2}$ per cent. A detailed table submitted herewith, based on reports to this Board, shows that the average ratio of net receipts to gross receipts in 1911 was 21.1 per cent, which again is very close to that former rate.

(d) *Car companies.*

The car companies and the express companies, each of which groups are represented by a single company, so large as to overshadow all others, namely, the Pullman Company and Wells Fargo & Co., are both engaged in litigation with the State over their taxes. Both claim that the taxes are excessive even at the rates fixed by the Legislature in 1907 and 1909, which were below those recommended by the commission. A recomputation of the rates for these two classes seems to show that the tax rates fixed by the Legislature yield a return more nearly equivalent to 7 per cent of the property as it stands to-day than would the commission's rates, after a lapse of six years have done. As to the Pullman Company it should be said that the commission had insufficient data. The Pullman Company did not furnish the commission of 1906 with data for a computation and that commission made its own estimate of the earnings. That defect can now be supplied.

The Pullman Company reported to the Board that in 1911 its gross receipts for the entire system were \$76,257,749.76, of which \$11,101,201.15 were net, or a ratio of 14.55 per cent. The Pullman Company's stock is selling on a 5 per cent investment basis. Hence by the commission's method a rate of 3 per cent for the tax on gross receipts would be the equivalent of 1 per cent on the property used, as against 4 per cent to 5 per cent recommended by the commission. It appears that the judgment of the Legislature was more accurate than that of the commission.

(e) *Express companies.*

In the case of the express companies two fundamentally different methods of defining gross receipts seem to prevail. One includes and the other excludes what is paid to the railroads for "express privileges." Thus one express company not operating very extensively in California reports to this Board gross receipts for the entire system as \$42,500,000. This makes no allowance for what is paid to the railroads because such an allowance would not be permitted under our tax law. But the same company reports in the financial manuals that its gross receipts are \$22,300,000, the difference being obviously what was paid for express privileges. Taking the definition of gross receipts

as exclusive of the express privileges the commission's ratio of 15 per cent net is still true to-day, but taking the larger figure for the gross receipts the ratio of net to gross is much lower.

Wells Fargo & Co. reports gross earnings for the entire system in 1911 at \$28,498,682.58, net \$2,461,792.95 or 8.64 per cent. This is a little over one half the ratio of net to gross receipts estimated by the commission of 1906 which was 15 per cent. Estimated by the commission's method on 8.64 per cent net instead of 15 per cent the tax on gross receipts at 2 per cent is the equivalent of 1 per cent on the property. This again supports the judgment of the Legislature as against that of the commission.

It appears from the above that upon the basis of a valuation made by the methods used by the commission of 1906 the present taxes based on gross receipts are substantially the equivalent of 1 per cent on the value of the property used.

7. *The stock and bond valuation.*

Another method of testing the burden of these taxes is to make a valuation by the so-called "stock and bond" method. This consists in finding out what the shares of stock and the bonds are selling for and multiplying the number of shares and bonds outstanding by the price per share or per bond.

The strength and weakness of this method are set forth in full below, as are also the difficulties encountered in applying it. It must be admitted that this method will generally give the highest value that can be arrived at by any approved method of valuation. The result by this method undoubtedly includes some elements of value not included in, and hence not comparable with, the appraised values of property locally taxed as set forth in the first part of this report, and your attention is respectfully directed to these objections to the method.

In spite of its admitted weaknesses, however, this method of valuation is practically the only one available that is based on concrete facts and is practically free from assumption, hypotheses, and theories.

With proper allowance for the non-comparable elements of value included it can be used to check the more theoretical results above set forth.

8. *Results of stock and bond valuation.*

As set forth in detailed tables at the end of this report, this method gives the following results. The valuations, taxes, and ratios of taxes to the value of the property used, when such property is valued by the stock and bond method, were found to be:

Classes.	Valuations.	Taxes.	Ratio.
For 192 companies of all classes, which were valued.....	\$854,060,888	\$7,506,206 71	.8789%
For 63 railroads and street railways which were valued.....	601,365,823	5,467,408 07	.9092%
For 82 gas and electric companies which were valued.....	185,877,507	1,393,882 11	*.75 %
For 47 telegraph and telephone companies which were valued	53,405,710	483,110 45	.9030%
For 1 car company which was valued.....	6,804,932	59,971 06	.8813%
For 1 express company which was valued.....	6,606,916	101,835 02	1.5413%

*See explanation in next paragraph.

9. *Explanation of low tax ratio of gas and electric companies.*

The difference between the ratio of taxes to value of the gas and electric companies and those of the railroads and telegraph and telephone companies is a striking feature of the above results. This is the more remarkable since the ratio of net to gross earnings places them in the same class with the railroads. The explanation lies in the fact that practically all the larger companies in this group are developing new resources and are preparing or have prepared to render more service to the public than is now demanded. Thus the Pacific Gas and Electric has installed at great expense hydroelectric plants and other facilities not yet used to anywhere near full capacity. The same is true of the Pacific Light and Power Corporation. These investments and the reasonable or the speculative expectation of future increase in earnings are reflected in the stock and bond values. By way of contrast attention may be called to the Los Angeles Gas and Electric Corporation, with comparatively less unused plant, whose tax ratio is 1.1824 per cent as against 0.7037 per cent and 0.7089 per cent for the two former companies respectively.

A gross receipt tax is essentially a tax on realized values and not on future values.

That the foregoing is the correct explanation of the difference is very clearly proven by a comparison of the stock and bond values with net operative revenues. The stock market according to the data here presented capitalizes railroad earnings on a basis of 6.4 per cent, but the stocks and bonds of gas and electric companies are selling on a basis of 5.75 per cent. There is no reason why investors should pay a higher price on the basis of present earnings for the securities of gas and electric companies than they pay for securities of old and well established railroads, except for the expectation of larger profits in years to come. In fact, the reverse would be the case except for reasons above stated.

To what extent the average ratio of 0.75 per cent for these companies should be corrected in order to make it a fair comparison with the other classes is a matter of judgment.

10. *Differences between companies.*

Another of the striking features of the general tables is the marked differences between the tax burdens of different companies. Thus the ratios of the railroads range from 0.3417 per cent to 1.6588 per cent, those of the gas and electric companies from 0.3089 per cent to 4.4112 per cent, and those of the telegraph and telephone companies from 0.6286 per cent to 2.5014 per cent.

A similarly wide range of differences is shown in the tables showing the ratio of net receipts to gross receipts, which run from a deficit to 90 per cent and over.

It also appears that some of the smaller companies are taxed more heavily than some of the larger companies. To show the extent of

this tables have been compiled for the larger companies in each group. To some extent the higher rate on small companies is a false showing. The smaller companies cannot be valued as exactly as can the larger ones since their securities are not so often bought and sold. Furthermore, investors in small public utilities will not purchase such stock and bonds on as favorable terms as they will the securities of larger concerns where the risk is less. The taxes on the larger railroads average .9169 per cent of the stock and bond values; all others .7901 per cent. The larger gas and electric companies average .7246 per cent; the smaller .8325 per cent. The larger telegraph and telephone companies average .8295 per cent; the smaller 1.7440 per cent.

But the differences between companies are no more striking than the differences between the counties, where the taxes range from \$0.609 to \$1.75 per \$100 of true valuation, or from \$11.83 to \$40.38 per capita. It appears that there are quite as great differences between individual taxpayers as between these companies.

11. *Results of stock and bond valuations compared with a capitalized value of earnings.*

A rough test of the accuracy of the stock and bond valuation can be made by ascertaining what rate of return the net operating revenues afford on this valuation. It is quite generally assumed, and was strongly urged upon the Board by representatives of the corporations, that a capitalization of net earnings at say 7 per cent would be a better method of valuation than the stock and bond method. The hypercritical nature of this proceeding seems to make its use inadvisable. But it is possible to reverse the method and ascertain at what rate the net revenues would have to be capitalized to obtain the stock and bond values. These results are set forth in the table immediately following. They confirm in a general way the accuracy of the stock and bond valuation.

A word of warning as to the use of these figures is in place. The reports called for by this Board require a statement of operating expenses pure and simple and a statement of taxes separately. It does not permit taxes to be included in operating expenses. But both the Interstate Commerce Commission and our State Railroad Commission require the companies to report taxes as operating expenses. Hence it is probable that in some cases companies have reported to this Board in the same manner as they do to the two commissions. As this part of the report is not used in computing taxes, a correction of this item was not called for, and it has not been possible in every case to determine whether taxes have been included or not. Every effort, however, was made to exclude the taxes. But in spite of the effort some may have remained in.

Depreciation is more freely reported to this Board than to the State Railroad Commission for obvious reasons, and some of this element is possibly included in operating expenses. It has proven impossible in the short time available to check up the reports for this item.

12. *Table comparing stock and bond valuations with net operating revenues.*

Railroads and street railways, valued at.....	\$601,365,823 00
California net operating revenue, taxes not deducted.....	\$44,169,179 44
Percentage of capitalization.....	7.3 per cent
California net operating revenue, taxes deducted.....	\$38,701,771 37
Percentage of capitalization	6.435 per cent
Gas and electric companies, valued at.....	\$185,776,545 00
California net operating revenue, taxes not deducted.....	\$12,079,309 88
Percentage of capitalization.....	6.5 per cent
California net operating revenue, taxes deducted.....	\$10,685,427 77
Percentage of capitalization.....	5.75 per cent
Telegraph and telephone companies, valued at.....	\$53,315,203 00
California net operating revenue, taxes not deducted.....	\$3,742,026 15
Percentage of capitalization.....	7.02 per cent
California net operating revenue, taxes deducted.....	\$3,262,954 70
Percentage of capitalization.....	6.12 per cent

13. *Reliability of the results.*

Tables have been prepared showing the sources of the data for each class of companies. From these it will be seen that the results are based on actual quotations or similarly unestimated data covering over 80 per cent (more exactly 83 per cent) of the total valuations. The remaining 20 per cent (more exactly 17 per cent) has been most carefully estimated. But even if an error as great as 25 per cent should have crept into this part, and where we reckoned \$20 it should have been either \$15 or \$25, the ultimate result would have been in error not more than plus or minus three in the fourth decimal place ($\pm .0003$). This is a negligible margin of possible error.

14. *The Board's file of data.*

The reports of the appraisers and all the data collected as to land values are on file in the office of this Board. A special file has also been made of all the data used in computing the corporation values, and included therein are all the original computation sheets, correspondence, and all other documents used. By reference to these files it will be possible to check up any one of the figures presented herein.

PART III.

GENERAL DISCUSSION OF METHODS OF VALUATION FOR
PUBLIC SERVICE CORPORATIONS.

With the growth of public utilities commissions much attention has been devoted to the methods of valuation for public service companies, and we are able to present an analysis of the significance of the various methods.

1. *Methods differ according to the purpose of the valuation.*

Mr. Robert H. Whitten, connected with the Public Utilities Commission of the State of New York, in a volume entitled "Valuation of Public Service Corporations," published in 1912, states that:

"Official valuations of the property of public service corporations are made for four general purposes: (1) Taxation; (2) Accounting and Capitalization; (3) Public Purchase; (4) Rate Making."

He points out that the valuation is dependent on the purpose:

"A fundamental question is whether the identical valuation can serve for all of the four general purposes for which public valuations are made. Is valuation the same regardless of the purpose or is valuation meaningless unless used with reference to some specific purpose? Upon the answer to this question depends the use that can be made of precedents concerning the rules and elements of valuation as laid down by courts and commissions. As a matter of fact the courts and commissions in their opinions often recognize that valuation or specific elements of valuation may vary with the purpose. The best considered decisions are undoubtedly those in which the problem of valuation has been worked out solely with reference to the specific purpose for which the valuation was made. The result has sometimes been less fortunate when the reasoning has been influenced by the fact that because it was just and reasonable to adopt a particular rule in a valuation for a different purpose it was consequently proper to adopt the same rule for the purpose at hand."

The same author quotes from the Valuation Committee of the National Association of Railway Commissioners a statement published in their proceedings of the twenty-third annual convention held in October, 1911, as follows:

"There is no inherent inconsistency in using one method of valuation for tax purposes and another method for rate purposes. The tax, by whatever method assessed, is considered an operating expense in fixing rates, and is, therefore, borne by the user of the service wherever rates of charge are strictly regulated. Methods

of ad valorem taxation must be worked out with an eye single to what is just and practicable in taxation, and methods of valuation for rate purposes must be worked out with an eye single to what is just and constitutional in rate making."

2. *Methods of valuation in matters of taxation.*

The method of valuation for the purpose of taxation must be determined by the character of the tax system and the laws in force relative to taxation. It is the spirit of the California tax system that all property, including franchises, shall be taxed. (*San José Gas. Co. vs. January*, 57 Cal. 614; *Spring Valley Water Works vs. Schottler*, 62 Cal. 69; *Bank of California vs. City and County of San Francisco*, 142 Cal. 276). This fact reduces the methods of valuation for tax purposes to two. Neither of these methods will give results that are strictly comparable with the appraisements put upon property taxed for local purposes; but with a proper allowance for the difference in the meaning of the figures, a fair conclusion as to the adequacy or inadequacy of the rates may be arrived at. These two methods are:

1. A valuation of the property used by the so-called stock and bond method.

2. Capitalization of the net earnings, with proper deductions for depreciation, for the limitation of franchises, and for a reserve to equalize dividends and other elements.

3. *Differences between a tax valuation and a "physical valuation."*

The main difference between a valuation made for purposes of taxation, or for estimating the effect of taxes, and a valuation such as the physical valuation now being made by the Public Utilities Commission of California, is found in the fact that the former may properly contain certain elements of franchise value or other intangible values which would not necessarily be included in a valuation made for rate making purposes. All of these elements of value would necessarily be included in a valuation made by the capitalization of earnings or by the so-called stock and bond method.

4. *The meaning of a stock and bond valuation.*

The stock and bond method of valuation consists in ascertaining the aggregate value of the property by multiplying the number of shares of stock or of bonds issued and outstanding by the market values of the different securities as ascertained by quotations upon the stock exchanges or from sales or offers to purchase the securities. Of this method the Hon. B. Meyers, now a member of the United States Interstate Commerce Commission, says in Census Bulletin number 21, "Commercial Valuation of Railway Operating Property in the United States: 1904":

"The method of valuing railway properties on the basis of the market quotations of their stocks and bonds is regarded by many as the most defensible of all methods, for the reason that the price

of railway securities established on the stock exchanges is the resultant of a combination of the greatest possible number of judgments. Thousands of men are constantly endeavoring to surpass one another in the fullness and accuracy of their knowledge of the value determining factors affecting any given security and to turn their superior knowledge into profits. The inevitable outcome of this process is the establishment of a list of prices which represents the crystallization of the best judgment respecting the value of property; and when these prices are determined over long periods of time by methods as detailed and cautious as those employed in this investigation, no objection can reasonably be made against their use on the ground of their speculative character.

The greatest difficulty in applying the stock and bond method in arriving at a commercial valuation of railway property devoted to operation lies in the separation from the former of property not devoted to operation."

5. *Advantages and disadvantages of stock and bond method.*

The stock and bond method of valuation has its advantages and disadvantages. The advantages are that by this method one can arrive at a very definite figure, especially where the securities are quoted on the stock exchange and frequently dealt in and the figure so obtained is fairly free of assumption. The disadvantages are that the quotations may be affected by a considerable number of considerations not all strictly pertinent to the true value of the property even for the purposes of taxation. Among these considerations reflected in the market quotations of the stocks and bonds are:

1. Future prospects and possible earnings not yet realized.
2. Many market influences, such as the scarcity or abundance of capital, high or low rates of interest, and the like.
3. The desire of certain persons to obtain control of the company and so-called "manipulation" of the market.
4. The effort of those concerned in the management of the company to protect the apparent values of the securities of which they hold large amounts by buying up, even at high prices, any shares or bonds that may be offered for sale.
5. Governmental action, such as statutes looking toward the control of rates, or other regulative measures.
6. Lawsuits of one kind or another affecting the property, as exemplified in the recent drop in the value of the securities of the Southern Pacific Company.
7. Rumors, favorable and unfavorable.

Of these the first two—namely, future prospects, and money market influences—affect all values even of real estate and especially of unused lands, although they enter to a far less extent into the values of lands. Hence, they are not elements which invalidate although they somewhat modify any comparisons between the values of public service companies

and the values of other taxable property. But the remaining five are all elements peculiar to stock and bond values alone and are false factors so far as comparisons with other taxable property are concerned.

6. *Special difficulties in applying this method to California companies.*

In applying this stock and bond method of valuation to the public service corporations of the State it was found that the first of these difficulties was very serious in the case of certain California corporations. Thus, for example, it was found that the Western Pacific Railway Company showed a very high valuation on the basis of the quotations of its stocks and bonds, as compared with its present earnings and taxes. It is perfectly obvious that this, being a new road, is not yet earning up to its full capacity and that the stock and bond values are influenced by the reasonable expectation that in years to come traffic over that great system will largely increase. Again, the stock values in this case are influenced by the known cost of construction. Another striking instance of the same kind is the Great Western Power Company, which between 1910 and 1912 practically doubled its actual investment in its power plants and lines and which has not yet come to the point of full service, as compared with its rivals. It is clear that the investment in new development during 1911 contributed in no way to the earnings of that property for 1911. A tax on gross receipts is essentially a tax on realized value, not on future values.

Another difficulty found in the case of some of the smaller California companies was that the stocks and bonds were not all traded in upon the exchanges, and it was, therefore, sometimes difficult to arrive at a valuation.

But the greatest disadvantage of the stock and bond method is, as stated by Mr. Meyers, above referred to, that the result obtained covers "the value of all the property of the company, whether devoted to operation or not—lands, real estate in cities, mines, manufacturing plants, elevators, warehouses, stocks and bonds of other companies, etc." To untangle all these items and make the proper deductions from the total value represented by the stocks and bonds is a task too large for six months' time, if it were thought desirable to undertake it. Indeed, single railway companies could scarcely be unraveled within the time allowed.

In spite of all these difficulties it was held that it would be worth while to attempt a stock and bond valuation of California companies. The last and greatest difficulty was surmountable in California because of the sharp line drawn between operative and non-operative property in our tax system. In the actual working out of the valuation this difficulty did not prove to be as serious as was expected. We could, for example, in many cases ascertain the value of bonds not quoted on the stock exchange by observing the quotations of other bonds of the same companies to which the unquoted ones were closely analogous, and, in the end, it was found that in the case of the railroads

the capitalization method had to be applied only to approximately \$28,500,000 out of \$601,000,000 and that mainly on stock. In the case of the gas and electric companies the amount of value estimated by the capitalization method was \$20,000,000 out of \$186,000,000.

To make this matter clear a concrete example may be cited. In the case of one company actual quotations were found for one issue of bonds amounting to \$5,300,000, another issue of \$250,000, another issue of \$250,000, and still another of \$14,460,000. Then an issue of bonds for \$1,600,000 was found which stood on practically the same security as the others and could therefore be taken to be of the same relative value. But the stock of this company was not quoted and the net earnings were capitalized at 7 per cent, which, with due allowance for depreciation reserve, and other elements, gave us a valuation of \$7,400,000 for the stock. Thus it was that \$7,400,000 was estimated by this method out of \$29,260,000.

In making the stock and bond valuations this Board utilized not only the reports filed by the companies with the State Board of Equalization, but also the reports filed by the same companies with the Public Utilities Commission, which are in some cases more complete.

The data reported in Poor's and Moody's Manuals and in Walker's Manual of California Corporations were also used. Discrepancies were referred to the companies for correction.

7. Detailed description of the methods by which the statistics were compiled.

In order that the statistics presented herewith may be better understood, the methods by which they were obtained may be explained, as follows:

First—The amount of stocks and bonds outstanding at par value has been obtained from the reports filed by the corporations with this Board. These reports were then checked by comparison with data given in Poor's and in Moody's Manuals of Corporations and in Walker's Manual of California Corporations and by the report filed with the Railroad Commission. When any discrepancies were found, an explanation thereof was obtained from the proper officers of the companies.

Second—Quotations for such of these securities as are dealt in on the San Francisco and Los Angeles exchanges were obtained directly from the reports of these exchanges. Quotations for such of the securities as are dealt in on the New York exchange were taken from the New York *Financial and Commercial Chronicle*. The quotations used were the averages of the low monthly prices for the year ending December 31, 1911. Where no sales were recorded, but quotations were nevertheless offered, the prices used were the averages of the first six daily "bid" prices in each month of the same year.

Third—Where actual quotations could not be found, the data were extended by estimates in three ways:

(a) In some cases, as, for example, in the case of the Southern Pacific Company, enough quotations and values of bonds were available to make it possible, with the aid of bond tables, to ascertain the average rate of return obtained by investors in securities of the system, and reversing the process, the values of those securities not quoted were computed on the assumption that they would be bought by investors at a price yielding them the same rate of return as did those quoted.

(b) In other cases it was found possible to estimate the value of an unquoted bond by reference to some similar bond of the same company for which a quotation was obtained.

(c) In a number of cases, mostly those of small companies, it was assumed that 5 per cent bonds, the interest upon which does not absorb one third of the earnings of the company after the operating expenses and depreciation had been allowed, would sell at par, while an issue of bonds of another company, the interest on which amounted to between one third and one half of the net earnings, would be worth 90, and bonds, the interest upon which absorbed more than one third of the net earnings, would be worth less than 90, by amounts depending on the margin of security. Bonds at 4 per cent, 6 per cent and any other rates of interest than 5 per cent were brought to the same basis by the use of bond tables.

Fourth—Values per bond or per share of stock obtained by the above methods were multiplied by the amount of the respective issues outstanding as reported to the State Board of Equalization in March, 1912.

8. *Accuracy of the computations.*

While it is possible that in handling the enormous amount of figures involved in the computations some errors may have crept in, yet as the computations were made on machines, were checked and rechecked by different persons and by many different processes, it is highly improbable that any serious errors remain. Computations for all the large companies and for many smaller ones when any doubts arose were submitted to the companies for revision and correction. Most of the representatives of the companies, while often dissenting as to the validity of the methods used, have assented to the correctness of the figures.

9. *Deductions allowed for non-operative property.*

Inasmuch as the stocks and bonds stand for and represent not only the property used in the operation of the particular line of business of each of the different public service corporations, but also, in many cases, a considerable amount of non-operative property or of property under construction and not contributing to the taxable revenues, proper deductions had to be made in each case for such non-operative property. This presented peculiar difficulties, but in the case of all of the large companies these difficulties have been overcome. The elimination was the more feasible because of the sharp line drawn by our tax laws between operative and non-operative property.

The character of the non-operative property, its amount, and the methods of arriving at the value thereof differed so much for each of the individual companies that no general explanation of the methods used can be given beyond the statement that the non-operative property was valued and deducted before the tax ratios were computed. In every case care was taken to make the estimates as conservative as possible and it is believed that the allowance made in each case was a proper one.

In a very considerable number of cases, but all of small companies, where it was impossible to arrive at the amount of non-operative property used and represented by the stocks and bonds, deduction from the valuation was not made, but in lieu thereof the taxes paid on non-operative property were added to the taxes paid to the State, and the ratio of taxes to property was computed on the basis of the total taxes of all kinds paid out of the earnings of the property.

10. *Intercorporate holdings.*

In many cases corporations were found to be holding the stocks of other companies, and consequently the value of the stocks of the holding company was enhanced by the amount of the value of the stocks of subsidiaries so held. To have included this value would have created a duplication in every case where the subsidiary company, or partially subsidiary company, was taxed upon its own gross receipts in its own name. Care was taken, therefore, to eliminate all such intercorporate holdings and the valuations were corrected accordingly. In the case of the large companies this occasioned great labor and research. But as the results and computations have been checked by the auditors of the companies and discrepancies and differences of opinion have been eliminated or explained it is reasonable to assume that the results are satisfactory.

11. *Division of interstate property between California and territory outside of California.*

In the case of companies operating both within and without the State of California the property was valued as a unit, including all the property both within and without the State, and then that proportion of the total property was considered as located in California which the gross receipts taxed within this State bore to the total gross receipts of the same general character. This is the application to the apportionment of property of the same rule of apportionment as is used in determining the amount of taxable revenues within California, as laid down by the Constitution.

Some of the representatives of the companies were inclined to dispute the propriety of this division of the property and to advocate a division upon a mileage basis, but inasmuch as the Constitution lays down this rule for the apportionment of the gross receipts for purposes of taxation, it seemed most proper to follow the same rule in the division of the property.

At the same time it is but fair to the companies that the effect of adopting this method should be fully stated. Rather than prejudice the case by stating it in our own language we will refer to the authority above quoted, namely, the Hon. B. H. Meyers, now a member of the Interstate Commerce Commission. In Bulletin No. 21 of the United States census, 1904, Mr. Meyers enumerates the following methods of apportionment:

- I. Single-track Mileage Basis;
- II. All-tracks Mileage Basis;
- III. Basis of Funded and other Indebtedness;
- IV. Station Population of Railways as a Basis;
- V. Car-Mileage Basis;
- VI. Cost of Construction;
- VII. Density of Traffic;
- VIII. Gross-earnings Basis;
- IX. Net-earnings Basis;
- X. Cost of Reproduction.

The Commissioner arrived at the conclusion that "the cost of reproduction, in many respects, affords the most satisfactory basis for the solution of the problem of apportioning railway values among states, and that the net earnings basis stands second in favor." But he used the gross earnings basis because less costly and less difficult. He says further: "Therefore it was necessary to select from all the remaining methods that one which promised the best results. This method is the gross-earnings basis for the distribution of values. In theory it meets the requirements of the problem of distribution of values better than any of the other available methods, and in practice it has the advantage of depending upon information which the overwhelming majority of the railway companies in the United States can furnish. Besides, it has received much more support among men who should be qualified to have correct judgments on matters of this kind than any other. In fact, practical unanimity exists regarding the preferences for the gross-earnings method, under the circumstances."

Taking cost and all other factors into consideration the only methods available for this Board were, a straight mileage apportionment or a gross-receipts apportionment.

Since the great railways entering California and their terminals have their chief branch lines and feeders here and obtain large revenues here, the gross-earnings basis gives California a larger proportion than the mileage basis. Thus in the case of the Santa Fé the percentage in California in a mileage basis is 12.4 per cent; on the gross receipts basis it is 16.62 per cent. In the case of the Southern Pacific the mileage in California is 38.18 per cent of the whole while the earnings are 48.7 per cent of the whole.

12. *Funds reserved for new construction.*

In a number of cases it was found that the outstanding securities represented funds which were being held in reserve for new construction, or for construction not yet contributing to the earnings of the company. In all such cases proper deduction has been made. This may be exemplified by the case of the Northwestern Pacific Railroad, which is building a long extension of its line for which it has already raised \$5,500,000 in money, none of which contributed to the earnings of 1911 nor was subject to taxation.

13. *The taxes taken into consideration.*

The taxes used in the computations were:

First—The taxes paid to the State at varying percentages of the gross receipts.

Second—The Panama-Pacific Exposition tax paid by the companies, both upon their operative and non-operative property. This was included because in the estimate of the average tax burden on local taxpayers the Panama-Pacific tax was also included. In a considerable number of cases it was found possible to ascertain directly the amount of the Panama-Pacific Exposition tax paid by each of the several companies and to add that to the taxes of that company. In other cases, where the individual amounts could not be readily ascertained, an addition of the estimated amount was made to the total taxes of the group of companies. The details concerning this computation are set forth below, showing exactly how much was added to the grand total for each group.

Third—As explained above, the taxes on non-operative property were added in all cases where no deduction was allowed from the total valuations for the same non-operative property. In short, all taxes paid by the companies from revenues arising from the property covered by the stocks and bonds were taken into consideration, unless a deduction had been made for non-operative property.

14. *The companies excluded.*

As shown in the accompanying lists certain companies could not be valued. The reasons for omission are stated opposite each company. In many cases companies were combined because their properties were represented only by the securities of holding companies. The Great Western Power and the Western Pacific were omitted from the tables of general averages because each is a new company with undeveloped business. These companies have been valued separately.

15. *Discussion of results obtained by using different methods of valuation.*

The way in which the results differ according to the method of valuation used is excellently illustrated by the case of The Atchison, Topeka and Santa Fé Railway Company. The following figures were submitted by the tax agent of the company:

1. The stock and bond valuation, made by the Board, the division between California and extra-California being made upon the percentage of gross receipts, \$88,907,821.

2. The same valuation distributed between states on a mileage basis, \$65,798,206.

3. California operating income, taxes excluded, for calendar year 1911, capitalized at 7 per cent, \$80,101,100.

4. California operating income, taxes excluded, for the year 1911, capitalized at 8 per cent, \$70,088,463.

5. California operating income, taxes excluded, for the fiscal year 1910-11, capitalized at 7 per cent, \$74,390,193.

6. California operating income, taxes excluded, fiscal year 1910-11, capitalized at 8 per cent, \$65,091,410.

16. *Hearings.*

On December 16 and 17, 1912, the State Board of Equalization held open meetings to hear the representatives of the various companies who wished to discuss with the Board the methods of valuation. Practically all of the larger corporations and a very considerable number of the smaller ones were represented at these hearings. A stenographic report of the hearings was taken, and copy thereof is on file in the offices of the State Board. On the first day arguments were presented mainly by the representatives of The Atchison, Topeka and Santa Fé Railway Company and the representative of the California Street Railway Association. On behalf of the Santa Fé it was urged that:

"This method which is commonly called the stock and bond method gives a larger valuation to the property of the Santa Fé Railway than any other method. It is not a method that has been approved by the Federal courts."

Citations were submitted of a number of cases in which the courts approved of other methods of valuation; most of these cases, however, had to do with valuation for the purpose of rate making. Representatives of the Santa Fé Company also submitted arguments in favor of distributing the stock and bond valuation, if used, between the states on a mileage basis rather than upon the basis of the proportion of gross receipts. The same representatives submitted the following arguments against the stock and bond method of valuation:

"My chief objection to the stock and bond method is that it gives more recognition to the speculative element. It anticipates values and gives the largest result of any of the methods that are likely to receive consideration of the State Board of Equalization. * * * I consider the most important question of all the questions on the one hand of valuing the corporate property and on the other hand the valuing of the general property of the State. * * * Our property is being valued by experts and every item of value is being found out and has been presented for your consideration. We do not know as yet how the general property of the State will be valued,

but it makes all the difference in the world whether the parcels selected are typical and whether the deductions upon the meager basis of facts which you have are correctly made."

He then argued that if too much urban property were included in the appraisements the ratio of taxes would be too high. He further said:

"But there is another very important consideration: your appraisers will undoubtedly consider merely the tangible pieces of property. They will not consider any going concern as a going concern. For instance, if they were asked to appraise the property of a successful mercantile or manufacturing establishment they would take the land and the buildings and appraise each separately as so many pieces of separate property. That method was not followed in appraising the railroad property on the basis of the stocks and bonds. That value takes it as a going concern, and as a going concern it has larger value than if each piece of property were considered separately."

He further argued that in the case of the general taxpayer almost every one was possessed of some personal property that escaped taxation entirely, whereas the method of taxation applied to a railroad covered every element of property that it possessed and every such element was included in the stock and bond valuation.

The representative of the street railways argued that:

"The stock and bond valuation is a method of valuing the corporation's property measured by its debts. The proper method is the one laid down by Judge Grosseup in a *Chicago City Railway* case in which he rejected the stock and bond value placed by the board of equalization on property of the street railway and substituted a method of value as follows: 'They took the gross earnings of a company, reduced it by the operating expenses and taxes, made a suitable allowance for depreciation, and capitalized the net result at the current rate of interest. It was a rate of interest proportionate to the hazard of the business and equalized the results as obtained with other assessments. It is a rule which has been employed many times since then and it is a rule which measures the property accurately, specifically, and scientifically, and takes into consideration every element of value which can contribute to the value of the property.' This stock and bond method is subject to several criticisms, the principal one of which is that it is subject to fluctuations. The fluctuations are controlled almost entirely by the company itself."

The second day of the hearing was devoted mainly to the examination of the details of the valuations of the Pacific Telephone and Telegraph Company, the Southern Pacific Company, the Spreckels Companies in San Diego, the Western Pacific Company, the Northern Electric, Pacific Gas and Electric companies. No new arguments as to the character of

the valuations were presented, but more emphasis was laid upon the propriety of allowing for depreciation and for fluctuations that enter into the elements of the stocks and bonds.

All of which is respectfully submitted.

EDWARD ROLKIN,
Member Board of Equalization, First District.

JOHN MITCHELL,
Member Board of Equalization, Second District.

R. E. COLLINS,
Member Board of Equalization, Third District.

JEFF McELVAINE,
Member Board of Equalization, Fourth District.

A. B. NYE,
Controller and Chairman.

T. M. EBY, Secretary.

Sacramento, January 13, 1913.

TABLE I.
Purposes of Local Taxes and Amounts for each, shown by counties.

Counties.	Total amount of State taxes (Panama Ex-position).	Total amount of county taxes.	Total of school taxes.	Total of special high school taxes.	Total of other special district taxes.	Total of all state, county, and district taxes.	Total of municipal taxes.	Total of state, county, district and municipal taxes.	Amount of taxes levied to reimburse districts.
Alameda	\$104,183 84	\$1,894,875 04	\$452,526 04	\$305,437 31	\$12,194 87	\$2,829,217 10	\$2,971,906 99	\$5,801,124 09	\$17,651 93
Alpine	238 00	8,849 04				9,087 04		9,087 04	
Amador	2,586 37	102,282 45	3,653 00	29,653 13	854 01	130,028 96	4,225 20	143,254 16	
Butte	9,637 82	305,613 94	29,419 05	59,791 84		464,462 65	81,151 19	545,613 84	5,854 63
Calaveras	2,725 86	133,364 13	679 80	4,215 96		140,885 75	1,883 85	142,869 60	
Colusa	6,061 80	204,348 38	6,416 13	41,360 23	399 96	258,586 50	19,535 79	278,122 29	
Contra Costa	17,145 77	479,589 45	35,493 41	77,333 89	829 53	610,392 65	122,619 35	733,011 40	
Del Norte	2,147 52	78,660 91	756 06			81,564 49	3,750 00	85,314 49	
El Dorado	2,644 95	108,893 70				111,538 65	9,427 44	120,966 09	
Fresno	31,698 93	927,255 67	164,222 01	195,892 21	10,620 40	1,394,599 22	216,455 51	1,611,054 73	
Glenn	6,805 87	299,071 53	20,442 66	20,442 66		266,168 69	29,576 61	299,745 30	
Humboldt	15,381 65	456,498 87	10,556 00	44,741 95		527,178 47	119,275 28	646,453 75	
Imperial	6,634 32	227,154 51	46,740 00	86,051 86		366,580 69	88,833 13	455,413 82	
Inyo	2,382 06	78,896 78	3,708 00	15,205 00		100,191 84	9,693 68	109,885 52	
Kern	29,292 75	673,819 25	82,277 95	5,211 65		790,511 60	140,390 62	930,902 22	
Kings	5,887 07	180,385 71	13,214 95	33,680 69		233,168 42	35,548 98	268,717 40	
Lake		88,515 79	2,089 07	6,544 25	1,114 99	100,386 79	5,245 24	105,632 03	
Lassen	2,122 69	114,845 70	3,353 32			120,842 93	3,431 11	124,274 04	
Los Angeles	314,882 41	5,098,568 11	3,294,268 49	1,848,362 00	147,432 50	10,703,463 55	7,143,900 28	17,847,363 83	
Madera	5,456 55	175,292 67	18,019 51	12,409 73		211,178 46	14,264 32	225,442 78	
Marin	1,437 26	192,925 91	44,090 76	33,779 34	34,289 18	313,669 08	162,794 10	476,463 18	
Mariposa	8,636 38	55,483 91		58 63		56,979 80		56,979 80	
Mendocino		233,593 32	12,095 42	43,479 28		315,804 40	27,383 82	343,188 22	
Merced	9,438 55	395,747 29	29,876 53	40,618 96		475,681 33	36,783 11	512,464 44	
Modoc	2,876 11	73,078 34	5,077 36	20,005 30	1,090 46	102,097 57	7,166 58	109,264 15	
Mono	543 84	26,097 31			580 19	27,221 34		27,221 34	
Monterey	12,438 20	421,776 94	107,670 85	37,331 20	4,096 31	583,313 50	95,287 91	678,601 41	
Napa	6,925 30	215,323 93	12,875 00	31,827 04		246,951 27	52,557 32	319,508 59	
Nevada	3,106 52	134,162 75	359 49	14,149 47	2,560 08	154,338 31	22,941 19	177,279 50	
Orange	18,190 51	487,362 53	109,879 85	187,452 24	33,478 45	827,363 58	208,651 30	1,035,014 88	
Placer	4,373 65	162,152 19	4,744 71	39,503 17	33,478 45	219,878 96	31,267 87	251,146 83	
Plumas	2,727 59	93,573 29	3,397 91	7,006 95	8,765 24	106,705 74		103,705 74	
Riverside	11,535 01	469,558 66	87,409 05	112,398 08	2,910 07	683,810 87	215,749 12	899,559 99	51,982 01
Sacramento	36,414 00	967,034 00	178,883 00	89,618 00	2,708 00	1,271,720 00	796,906 42	2,068,626 42	
San Benito	3,388 54	141,034 97	2,319 91			146,743 42	17,567 19	164,310 61	
San Bernardino	18,382 55	627,945 95	190,639 05	122,445 18	1,396 39	960,719 12	285,743 13	1,246,462 25	151,420 10

San Diego	25,002 35	830,798 74	189,024 39	157,399 86	10,651 65	1,213,076 99	890,546 80	2,103,623 79	51,567 14
San Francisco	966,118 89	10,463,873 50	89,094 03	82,204 94	1,387 51	10,729,992 39	380,973 97	10,729,992 39	1,381,394 44
San Joaquin	25,669 45	794,422 05	10,915 75	4,860 00	12,981 52	326,899 97	65,495 97	332,385 94	---
San Luis Obispo	8,005 50	301,391 21	39,269 13	60,540 09	25,706 44	514,358 57	149,175 00	683,533 66	---
San Mateo	13,035 95	382,562 89	43,223 54	61,883 68	6,019 62	637,726 99	185,541 89	823,271 79	---
Santa Barbara	13,001 04	493,872 29	50,655 22	179,452 57	900 00	1,125,892 37	397,866 29	1,523,758 57	---
Santa Clara	33,204 56	856,960 40	27,773 52	40,440 13	---	365,823 28	119,548 30	485,371 58	---
Santa Cruz	8,210 90	988,498 73	6,621 17	18,383 36	---	290,442 49	22,776 68	313,219 17	15,570 00
Shasta	5,850 41	259,387 55	1,470 39	1,348 73	---	45,727 33	3,141 83	48,869 16	---
Sierra	991 28	41,916 93	1,470 39	1,348 73	---	287,556 78	26,013 60	307,570 38	9,738 80
Siskiyou	8,441 14	246,128 72	11,122 15	21,834 77	---	415,013 67	108,075 84	523,089 51	---
Solano	10,108 35	319,444 37	21,017 63	62,393 72	2,650 20	679,254 32	168,783 17	848,037 49	---
Sonoma	16,274 04	515,110 51	33,779 71	81,000 57	33,089 49	643,568 47	103,424 56	706,993 03	---
Stanislaus	11,849 38	440,703 00	94,119 16	59,836 33	---	152,673 47	6,772 02	159,445 49	---
Sutter	3,312 63	141,568 29	1,837 79	5,924 76	---	233,195 09	26,082 83	261,277 92	---
Tehama	5,645 17	198,834 38	7,255 63	23,399 91	---	75,982 31	---	75,982 31	---
Trinity	1,343 19	73,732 94	906 18	114,301 54	---	830,940 36	131,730 44	962,670 80	---
Tulare	17,719 91	604,074 87	94,844 04	12,679 60	1,237 24	172,924 90	7,705 75	180,630 65	---
Tuolumne	4,125 07	149,276 78	5,606 21	83,147 88	---	540,133 68	73,719 26	613,852 94	---
Ventura	12,290 48	412,916 11	31,779 21	38,707 82	---	330,076 70	35,033 36	365,110 06	16,500 00
Yolo	8,687 12	274,591 20	8,090 53	6,399 83	---	292,374 98	69,475 42	272,050 40	---
Yuba	3,478 68	177,639 17	15,467 30	---	---	---	---	---	---
Totals	\$1,219,833 57	\$34,676,537 55	\$5,737,365 41	\$4,745,906 89	\$359,424 30	\$46,739,127 72	\$15,950,509 52	\$62,689,727 24	\$320,232 60

Note.—The foregoing table includes Panama-Pacific Exposition taxes paid by public service corporations on their "operative" property. Such tax is excluded in determining the percentage of tax paid for county and municipal purposes.

TABLE II.
Comparison of Actual Value, Assessed Value and Taxes Paid.

Counties.	County assessment of non-operative property (1912).	Actual value of all property as estimated by State Board.	Total State, County, and municipal taxes on non-operative property (1912).	Rates of taxes on each \$100 of estimated actual value of all property.	Average tax rate on each \$100 prevailing in county.
Alameda	\$215,853,735	\$491,833,180*	\$5,792,553 87	\$1.178	\$2.68
Alpine	452,405	1,059,994	9,087 04	.85	2.00
Amador	5,321,741	10,643,482	143,009 35	1.34	2.69
Butte	19,598,624	78,784,628*	544,599 40	.691	2.78
Calaveras	5,883,775	11,767,550	142,536 50	1.21	2.42
Colusa	13,431,245	29,968,075*	277,970 24	.928	2.07
Contra Costa	37,229,700	92,534,999*	732,246 70	.79	1.97
Del Norte	4,861,697	14,585,691	85,606 11	.587	1.76
El Dorado	5,739,551	12,754,558	120,848 20	.95	2.11
Fresno	69,707,292	170,395,049*	1,610,027 01	.945	2.31
Glenn	15,218,515	27,883,903	289,635 58	1.04	1.81
Humboldt	33,371,279	83,428,197	645,755 46	.774	1.90
Imperial	13,923,318	30,940,707	454,995 76	1.47	3.35
Inyo	4,781,085	11,952,712	109,607 13	.917	2.29
Kern	60,973,617	152,434,047	928,737 86	.909	1.52
Kings	12,981,485	36,333,825	268,542 18	.739	2.07
Lake	4,814,711	9,629,422	105,527 81	1.005	2.19
Lassen	5,946,783	11,893,566	124,246 71	1.04	2.68
Los Angeles	595,587,930	1,170,566,483*	17,794,530 17	1.52	2.99
Madera	11,870,435	23,740,870	225,209 22	.948	1.90
Marin	18,835,300	41,856,290	476,136 82	1.138	2.53
Mariposa	3,252,281	4,646,116	56,979 80	1.23	1.75
Mendocino	14,525,067	34,493,674	342,942 86	.994	2.33
Merced	20,821,305	41,812,019*	512,187 26	1.225	2.46
Modoc	6,429,489	12,858,978	109,217 01	.85	1.69
Mono	1,184,015	2,631,144	27,198 02	1.03	2.30
Monterey	27,625,981	67,042,613*	678,318 63	1.01	2.46
Napa	15,284,510	29,670,474*	319,908 48	1.08	2.09
Nevada	6,384,970	10,641,617	176,982 33	1.66	2.77
Orange	38,497,040	98,575,951*	1,034,763 06	1.05	2.09
Placer	8,916,830	22,292,075	250,696 58	1.12	2.81
Plumas	6,013,708	12,023,416	106,624 18	.883	1.65
Riverside	25,303,289	92,369,600*	895,578 79	.97	3.54
Sacramento	76,603,242	146,579,682*	2,065,917 42	1.41	2.70
San Benito	7,544,190	17,751,035	164,241 50	.925	2.17
San Bernardino	38,644,245	132,182,108*	1,247,700 61	.944	3.23
San Diego	54,737,502	120,093,249*	2,102,705 94	1.75	3.84
San Francisco	510,432,101	1,043,848,773*	10,688,463 96	1.024	2.09
San Joaquin	54,897,303	157,789,640*	1,379,879 80	.873	2.51
San Luis Obispo	17,007,511	35,215,022	392,137 75	1.11	2.22
San Mateo	28,715,970	59,271,099*	663,112 74	1.12	2.31
Santa Barbara	28,240,082	66,279,422*	822,633 58	1.24	2.91
Santa Clara	70,223,415	151,731,831*	1,504,508 22	.992	2.14
Santa Cruz	17,756,495	53,269,485*	484,973 53	.91	2.73
Shasta	12,090,632	24,643,295	312,688 62	1.268	2.58
Sierra	2,195,995	4,391,990	48,844 12	1.11	2.22
Siskiyou	17,486,235	36,429,653	305,323 17	.838	1.75
Solano	22,249,775	44,499,550	522,771 06	1.172	2.35
Sonoma	35,865,015	91,404,555*	847,544 06	.93	2.36
Stanislaus	26,164,065	56,878,690*	706,655 84	1.24	2.70
Sutter	7,335,470	20,952,771	159,360 48	.76	2.17
Tehama	12,199,805	24,399,610	261,000 66	1.07	2.14
Trinity	3,002,232	6,671,626	75,960 06	1.13	2.50
Tulare	38,980,100	103,962,933*	962,105 04	.925	2.46
Tuolumne	8,475,420	18,834,263	180,234 76	.96	2.13
Ventura	27,328,232	59,680,720*	592,279 54	.99	2.17
Yolo	19,252,495	42,358,833*	364,894 41	.961	1.90
Yuba	7,090,670	27,793,980*	271,691 61	.974	3.83
Totals	\$2,475,746,905	\$5,490,934,141	\$62,519,537 43	\$1.1386	\$2.53

NOTE.—The foregoing table shows a percentage of assessed value to actual value of 45.1 per cent.

*Estimate based upon appraisalment made in county for State Board.

TABLE III.

Municipal Taxes and Assessments—1912.
(San Francisco excluded.)

Cities.	Total municipal taxes	Total non-oper- ative assessment. (City roll.)	Tax rate.
Alameda	\$205,196 58	\$18,825,375	\$1.09
Albany	14,699 25	1,959,990	.75
Alhambra	75,789 16	6,901,945	1.00-1.15
Alturas	7,166 58	409,513	1.75
Alviso	828 22	207,055	.40
Anaheim	25,278 38	1,486,950	1.70
Angels	1,883 85	627,955	.30
Antioch	6,470 81	517,695	1.25
Arcadia	8,294 90	2,073,723	.40
Areata	8,574 90	884,011	.97
Arroyo Grande	1,811 08	301,947	.60
Auburn	9,900 00	996,000	1.00
Azusa	15,060 84	1,004,056	1.50
Bakersfield	117,136 68	6,886,790	1.70-1.71
Belvedere	10,734 88	740,337	1.45
Benicia	12,415 18	775,949	1.60
Berkeley	388,441 79	38,917,906	.91-.95 $\frac{1}{2}$ -.97
Biggs	2,178 56	189,440	1.15
Bishop	9,693 68	668,530	1.45
Blue Lake	1,250 78	102,150	1.25
Boulder Creek	1,454 30	171,095	.85
Brawley	11,523 75	876,932	1.30
Burbank	6,809 89	689,989	1.00
Burlingame	24,766 95	2,476,695	1.00
Callexico	15,532 82	778,141	2.00
Calistoga	3,653 74	483,975	.75
Chico	43,607 78	2,812,155	1.45-1.55
Chino	8,103 69	900,410	.90
Chula Vista	12,711 15	1,271,115	1.00
Claremont	11,769 10	1,279,250	.92
Cloverdale	4,544 07	504,897	.90
Clovis	3,149 14	349,904	.90
Coalinga	16,251 00	1,300,080	1.25
Colfax	1,588 31	127,065	1.25
Colton	24,178 35	1,272,542	1.90
Colusa	19,535 79	1,220,987	1.60
Compton	9,414 66	724,205	1.30
Concord	4,063 41	232,195	1.75
Coram*			
Corning	8,874 64	554,635	1.60
Corona	42,073 08	1,938,850	2.17
Coronado	53,105 33	2,765,903	1.92
Covina	9,040 00	992,450	.98
Crescent City	3,750 00	500,000	.75
Daly City	7,781 96	778,193	1.00
Dinuba	5,399 80	431,984	1.25
Dixon	6,968 41	516,179	1.35
Dorris	1,636 37	133,310	1.25
Dunsmuir	2,730 27	388,610	.70
Eagle Rock	12,499 65	1,338,850	.90
El Centro	32,755 01	1,780,164	1.84
El Paso de Robles	9,810 04	726,670	1.35
Elsinore	3,579 61	265,157	1.35
Emeryville	13,770 91	2,754,175	.50
Eseondido	10,360 08	900,877	1.15
Etna	1,336 67	267,250	.50
Eureka	93,558 22	8,778,020	1.10
Exeter	6,917 64	395,294	1.75
Fairfield	3,406 20	296,192	1.15
Ferndale	6,876 89	528,985	1.30
Fort Bragg	5,894 82	509,985	1.15
Fort Jones	502 18	148,045	.40
Fortuna	5,762 55	457,346	1.26
Fowler	3,264 55	326,455	1.00
Fresno	172,689 30	16,152,763	1.00-1.14-1.16
Fullerton	41,019 81	2,646,439	1.55
Gilroy	9,479 95	831,575	1.14

*No ad valorem value in this Shasta County town.

TABLE III.—Continued.
Municipal Taxes and Assessments—1912.
(San Francisco excluded.)

Cities.	Total municipal taxes.	Total non-operative assessment. (City roll.)	Tax rate.
Glendale	\$30,803 81	\$2,656,609	1.08-1.18
Glendora	9,227 29	838,845	1.10
Grass Valley	14,326 96	1,283,283	1.05
Gridley	3,689 05	368,905	1.00
Hanford	29,291 36	1,889,620	1.55
Hayward	20,136 00	2,013,600	1.00
Healdsburg	13,552 56	1,075,600	1.26
Hemet	7,509 31	586,665	1.28
Hercules	2,455 00	701,427	.35
Hermosa Beach	14,661 49	1,011 137	1.45
Hillsborough	33,196 68	2,514,900	1.32
Hollister	15,865 68	1,286,215	.97-1.25
Holtville	10,859 80	542,990	2.00
Huntington Beach	16,994 60	876,010	1.94
Huntington Park	9,593 51	1,063,954	.90
Imperial	18,131 75	1,224,795	1.50
Inglewood	20,233 87	1,686,156	1.20
Jackson	4,225 20	603,600	.70
Kennett*			
King City	2,629 65	232,965	1.00
Kingsburg	2,953 60	310,905	.95
Lakeport	5,245 24	579,733	.90
La Mesa	3,667 49	366,749	1.00
Larkspur	4,575 04	619,005	.75
Lemoore	6,257 62	227,550	2.75
Lincoln	6,198 30	516,525	1.20
Lindsay	16,660 62	1,110,708	1.50
Livermore	9,748 33	886,212	1.10
Lodi	21,165 40	1,693,160	1.25
Lompoc	7,411 79	741,179	1.00
Long Beach	272,581 29	21,737,115	1.09 1.18 1.19 1.30
Lordsburg	5,425 01	542,501	1.00
Los Angeles	5,420,028 00	366,351,415	1.01 1.03 1.05 1.12 1.17 1.40 1.51½ 1.52 1.54
Los Banos	5,541 38	369,425	1.50
Los Gatos	15,523 50	1,293,625	1.20
Loyalton	3,141 83	418,855	.75
Madera	14,264 32	891,520	1.60
Maricopa	9,451 73	945,173	1.00
Martinez	13,404 62	1,072,370	1.25
Marysville	65,788 78	3,654,555	1.80
Mayfield	9,109 77	459,635	1.98
McKittrick	1,737 30	171,730	1.00
Merced	31,241 73	2,349,275	1.33
Mill Valley	24,352 12	1,656,675	1.47
Modesto	71,074 69	3,841,875	1.85
Monrovia	52,851 97	3,523,465	1.50
Montague	1,500 00	250,000	.60
Monterey	36,556 03	2,520,594	1.45
Morgan Hill	2,769 25	221,540	1.25
Mountain View	13,070 07	708,951	1.90
Napa	36,188 53	3,895,243	.93
National City	24,045 91	2,185,824	1.10
Nevada City	8,614 23	861,423	1.00
Newman	6,721 78	448,670	1.50
Newport Beach	17,213 64	1,908,446	.90
Oakdale	11,220 70	641,175	1.75
Oakland	2,218,187 99	129,465,100	1.46 1.74 1.75
Oceanside	11,711 59	555,317	1.49 2.12
Ontario	35,269 64	2,425,455	1.40 1.49
Orange	25,097 82	1,925,910	1.30
Orland	4,506 66	396,283	1.15
Oroville	31,675 80	1,712,314	1.85
Oxnard	22,879 32	2,079,920	1.10

*No ad valorem value in this Shasta County town.

TABLE III.—Continued.
Municipal Taxes and Assessments—1912.
(San Francisco excluded.)

Cities.	Total municipal taxes.	Total non-oper- ative assessment. (City roll.)	Tax rate.
Pacific Grove	\$31,501 44	\$2,423,188	1.30
Palo Alto	37,307 20	3,927,075	.95
Pasadena	536,804 81	49,141,915	1.028 1.06 1.11
Perris	1,604 35	160,435	1.00
Petaluma	50,504 79	5,050,479	1.00
Piedmont	71,590 39	5,965,871	1.20
Pinole	1,926 88	167,555	1.15
Pittsburg	5,498 50	610,945	.90
Placerville	9,427 44	785,620	1.20
Pleasanton	6,750 00	450,000	1.50
Point Arena	752 28	150,454	.50
Pomona	126,579 22	7,671,468	1.65
Porterville	31,011 24	2,128,258	1.122 1.50
Potter Valley	3,182 70	424,361	.75
Red Bluff	16,212 14	1,654,300	.98
Redding	22,776 68	1,626,906	1.49
Redlands	112,832 36	8,680,220	1.30
Redondo Beach	23,607 40	2,360,740	1.00
Redwood City	32,871 61	1,968,360	1.67
Rialto	4,776 60	1,592,000	.30
Richmond	88,800 13	12,333,332	.72
Rio Vista	6,524 33	434,622	1.50
Riverside	153,253 62	9,460,100	1.62
Rocklin	1,200 15	200,025	.60
Roseville	12,321 11	912,675	1.35
Ross	16,674 48	956,815	1.68
Sacramento	796,966 42	63,176,420	1.15 1.28
Salinas	24,600 79	2,236,590	1.10
San Anselmo	21,659 38	1,377,039	1.8282
San Bernardino	78,905 30	4,687,860	1.35 1.65
San Buena Ventura	29,322 90	1,639,700	1.70 1.80
San Diego	774,945 25	49,068,148	1.48 1.58
San Fernando	7,593 60	759,660	1.00
Sanger	3,148 85	314,885	1.00
Sar Jacinto	7,729 15	328,990	2.35
San Jose	280,094 54	23,465,310	1.05 1.20
San Juan	1,701 51	113,410	1.50
San Leandro	23,385 75	2,338,575	1.00
San Luis Obispo	53,874 25	2,762,782	1.95
San Mateo	41,659 31	3,107,505	1.20 1.38
San Rafael	57,042 90	4,875,462	1.17
Santa Ana	76,977 60	6,414,800	1.20
Santa Barbara	161,990 75	8,823,805	1.69 1.88
Santa Clara	29,692 70	2,091,035	1.42
Santa Cruz	92,450 53	7,187,815	1.08 1.33
Santa Maria	16,172 26	1,078,151	1.50
Santa Monica	185,803 72	12,400,465	1.394 1.457 1.52
Santa Paula	21,517 04	1,195,391	1.80
Santa Rosa	82,781 51	6,131,964	1.35
Sausalito	28,355 30	2,039,949	1.39
Sawtelle	8,728 89	872,889	1.00
Sebastopol	10,624 32	758,880	1.40
Selma	14,990 07	857,090	1.75
Sierra Madre	19,945 57	1,366,135	1.45
Sisson	3,281 95	410,237	.80
Sonoma	6,775 92	542,074	1.25
Sonora	7,705 75	1,049,765	.75
South Pasadena	57,123 80	4,398,165	1.30
South San Francisco	8,898 58	1,394,253	.65
Stanton	6,069 45	606,945	1.00
St. Helena	12,515 05	1,251,505	1.00
Stockton	360,986 66	22,283,040	1.62
Suisun	6,866 29	457,753	1.50
Susanville	3,431 11	343,111	1.00
Taft	11,109 31	896,986	1.35

TABLE III.—Continued.

Municipal Taxes and Assessments—1912.

(San Francisco excluded.)

Cities.	Total municipal taxes.	Total non-operative assessment. (City roll.)	Tax rate.
Tehachapi -----	\$955 60	\$95,560	1.00
Tehama -----	996 05	99,605	1.00
Tracy -----	7,821 91	521,461	1.50
Trinidad -----	252 03	33,605	.75
Tropico -----	9,393 72	816,845	1.15
Tulare -----	22,220 32	1,388,770	1.60
Turlock -----	14,407 39	1,051,590	1.37
Ukiah -----	12,034 20	1,002,850	1.20
Upland -----	21,677 25	1,505,365	1.44
Vacaville -----	8,831 24	519,485	1.70
Vallejo -----	63,064 19	5,045,135	1.25
Venice -----	104,996 30	8,175,922	1.30
Vernon -----	10,609 61	1,711,230	.62
Visalia -----	49,520 82	3,194,892	1.55
Watsonville -----	25,643 47	2,442,235	1.05
Watts -----	10,384 20	1,038,420	1.00
Wheatland -----	3,686 64	223,433	1.65
Whittier -----	58,242 00	3,409,038	1.41 1.73 1.85
Willits -----	5,549 82	470,323	1.18
Willows -----	19,069 95	1,501,571	1.27
Winters -----	5,927 16	370,460	1.60
Woodland -----	29,103 20	2,291,622	1.26
Yreka -----	8,916 16	597,415	1.50
Yuba City -----	6,772 02	564,335	1.20
Totals -----	\$15,950,599 52	\$1,145,413,945	Average, \$1.39

TABLE IV.

Taxes, Actual Value, and Assessed Value per capita.

Counties.	1910 population.	Total taxes.	Tax per capita.	Actual value per capita.	Non-oper- ative assess- ments per capita.
Alameda	246,131	\$5,792,553 87	\$23.53	\$1,968 14	\$876 99
Alpine	309	9,087 04	29.41	3,430 40	1,464 09
Amador	9,086	143,009 35	15.74	1,171 41	585 71
Butte	27,301	544,599 40	19.95	2,885 78	717 88
Calaveras	9,171	142,536 50	15.54	1,233 13	641 56
Colusa	7,732	277,970 24	35.05	3,875 85	1,737 10
Contra Costa	31,674	732,246 70	23.12	2,921 48	1,175 40
Del Norte	2,417	85,606 11	35.42	6,034 38	2,011 46
El Dorado	7,492	120,848 20	16.13	1,702 42	766 09
Fresno	75,657	1,610,027 01	21.28	2,252 20	921 36
Glenn	7,172	289,635 58	40.38	3,887 88	2,121 93
Humboldt	33,857	645,755 46	19.07	2,464 13	985 65
Imperial	13,591	454,905 76	33.47	2,276 56	1,024 45
Inyo	6,974	109,607 13	15.72	1,713 90	685 56
Kern	37,715	928,727 86	24.62	4,041 74	1,616 69
Kings	16,230	268,542 18	16.55	2,238 68	799 84
Lake	5,526	105,527 81	19.10	1,742 57	871 28
Lassen	4,802	124,246 71	25.87	2,476 79	1,237 77
Los Angeles	504,131	17,794,530 17	35.30	2,321 95	1,181 41
Madera	8,308	225,209 22	26.91	2,837 10	1,418 55
Marin	25,114	476,136 82	18.96	1,666 65	750 00
Mariposa	3,956	56,979 80	14.40	1,174 45	822 11
Mendocino	23,929	342,942 86	14.33	1,441 63	607 00
Merced	15,148	512,187 26	33.81	2,760 23	1,374 52
Modoc	6,191	109,217 01	17.64	2,077 04	1,038 52
Mono	2,042	27,198 02	13.32	1,288 51	579 83
Monterey	24,146	678,318 03	28.09	2,776 55	1,144 12
Napa	19,800	319,908 48	16.16	1,498 51	771 94
Nevada	14,955	176,982 36	11.83	711 58	426 95
Orange	34,436	1,034,763 06	30.05	2,862 58	1,117 93
Placer	18,237	250,696 58	13.75	1,222 35	488 94
Plumas	5,259	106,624 18	20.27	2,286 25	1,143 51
Riverside	34,696	895,578 79	25.81	2,662 25	729 29
Sacramento	67,806	2,065,917 42	30.47	2,161 75	1,129 74
San Benito	8,041	164,241 50	20.43	2,207 57	938 22
San Bernardino	56,706	1,247,700 61	22.00	2,331 01	681 48
San Diego	61,665	2,162,705 94	35.07	1,947 56	887 66
San Francisco	416,912	10,688,463 66	25.64	2,503 76	1,224 32
San Joaquin	50,731	1,379,879 80	27.20	3,110 32	1,082 12
San Luis Obispo	19,383	392,137 75	20.23	1,816 80	908 40
San Mateo	26,585	663,112 74	24.94	2,229 49	1,080 16
Santa Barbara	27,738	822,636 38	29.66	2,389 48	1,018 10
Santa Clara	83,539	1,504,508 22	18.01	1,816 30	840 61
Santa Cruz	26,140	484,973 53	18.55	2,037 85	679 28
Shasta	18,920	312,688 62	16.53	1,302 50	639 04
Sierra	4,098	48,844 12	11.92	1,071 74	535 87
Siskiyou	18,801	305,323 17	16.24	1,937 64	930 07
Solano	27,559	522,771 06	18.97	1,614 70	807 35
Sonoma	48,394	847,544 06	17.51	1,888 76	741 10
Stanislaus	22,522	706,655 84	31.38	2,525 47	1,161 71
Sutter	6,328	159,360 48	25.18	3,311 12	1,159 21
Tehama	11,401	261,060 66	22.89	2,140 13	1,070 06
Trinity	3,301	75,960 06	23.01	2,021 09	909 49
Tulare	35,440	962,105 04	27.15	2,933 49	1,100 06
Tuolumne	9,979	180,234 76	18.06	1,887 39	849 33
Ventura	18,347	592,279 54	32.28	3,252 80	1,489 52
Yolo	13,926	364,894 41	26.20	3,041 49	1,382 49
Yuba	10,042	271,691 61	27.06	2,768 07	706 10
Totals	2,377,549	\$62,519,537 43	\$26.2958	\$2,309 49	\$1,041 30

TABLE V.

Gross and Net Operating Revenue of Railroads of United States, from Interstate Commerce Commission Report.

Year ending June 30.

Year.	Gross operating revenue.	Net operating revenue.	Ratio.
1912*†	\$2,527,298,505	\$779,314,832	30.83%
1911*†	2,757,134,702	860,963,647	31.22
1910*	2,750,667,435	928,087,002	33.73
1909*	2,418,677,538	819,234,128	33.87
1908*	2,393,805,989	724,258,113	30.25
1907	2,589,105,578	840,589,764	32.46
1906	2,325,765,167	788,887,896	33.91
1905	2,082,482,406	691,880,254	33.22
1904	1,975,174,091	636,277,838	32.21
1903	1,900,846,907	643,308,055	33.82
1902	1,726,380,267	610,131,520	35.34
1901	1,588,526,037	558,128,767	35.13
1900	1,487,044,814	525,616,303	35.34
1899	1,313,610,118	456,641,119	34.76
1898	1,247,325,621	429,352,345	34.42
1897	1,122,089,773	369,545,000	32.95
1896	1,150,169,376	377,180,332	32.79
1895	1,075,371,462	349,651,047	32.51
1894	1,073,361,797	341,947,475	31.85
1893	1,220,751,874	392,830,375	32.18
1892	1,171,407,343	390,409,347	33.33
1891	1,096,761,395	364,873,502	33.26
1890	1,051,877,632	359,783,661	34.20
1889	964,816,129	320,109,428	33.18
1888	910,621,220	315,626,564	34.64
Totals	\$41,921,073,176	\$13,874,598,523	33.10%

†July to May.

‡From monthly bulletin of Interstate Commerce Commission.

*Excluding outside operations, returns for switchings and terminal companies, and figures for a few roads, the returns for which were not sufficiently complete for inclusion.

TABLE VI.

Ratio of Net to Gross Earnings of California Railroads and Street Railways, excluding certain small companies listed in Table XV.

Name of company.	Gross earnings, 1911.	Net earnings, 1911.	Ratio of net to gross earnings.
Amador Central Railroad	\$92,533 84	\$40,927 72	44.2
Arcata and Mad River Railroad	138,807 00	48,735 00	35.1
Atchison, Topeka and Santa Fe Railway	88,437,857 22	30,840,258 18	34.9
Bakersfield and Kern Electric Railway	103,302 44	48,944 17	47.5
Bay Point and Clayton Railroad	48,338 47	23,390 44	48.4
Boca and Loyalton Railroad	111,112 44	23,515 04	21.1
Bucksport and Elk River Railroad	24,275 00	15,070 00	62.0
Butte County Railroad	161,063 92	69,401 84	43.0
California Street Cable Railroad	407,132 73	134,534 73	33.0
California Western Railroad and Navigation	280,794 09	135,109 31	48.2
Central California Traction	292,275 90	97,784 60	33.4
Colusa and Lake Railroad	25,646 00	2,928 84	11.4
Diamond and Caldor Railroad	86,016 44	38,394 77	44.6
East Shore and Suburban Railway	184,678 76	57,381 28	31.0
Fresno Traction Company	169,817 60	48,318 42	28.5
Glendale and Eagle Rock Railway	13,416 20	5,006 80	37.3
Holton Interurban Railway	57,967 41	15,037 76	26.0
Humboldt Northern Railway	38,056 69	4,138 00	10.8
Humboldt Transit Company	81,563 65	10,579 41	12.9
Iron Mountain Railway	34,919 51	26,180 83	75.0

TABLE VI.—Continued.

Ratio of Net to Gross Earnings of California Railroads and Street Railways, excluding certain small companies listed in Table XV.

Name of company.	Gross earnings, 1911.	Net earnings, 1911.	Ratio of net to gross earnings.
Klamath Lake Railroad	\$36,837 54	\$15,398 05	42.0
Lake Tahoe Railway and Transportation Co.	42,709 43	9,358 33	21.9
Los Angeles and San Diego Beach Railway	68,194 40	13,064 26	19.1
Los Angeles and Mount Washington Railway	22,395 38	34,766 41	-----
Los Angeles Railway Corporation*	6,205,336 72	1,976,996 36	31.9
McCloud River Railroad	389,359 91	126,620 42	32.5
Mill Valley and Mount Tamalpais Scenic Railway ..	76,917 66	43,843 14	57.0
Monterey and Pacific Grove Railway	37,478 75	11,826 28	31.5
Nevada-California-Oregon Railway	324,679 34	73,569 48	22.6
Nevada County Narrow Gauge Railroad	122,156 97	36,170 93	29.6
Nevada County Traction Company	28,240 75	9,625 67	34.1
Northern Electric Railway	578,803 51	181,899 51	31.4
Northwestern Pacific Railroad	3,469,242 22	972,698 41	28.0
Oakland Traction Company	3,102,616 77	1,054,782 68	34.0
Ocean Shore Railroad	219,022 27	17,964 71	8.2
Ontario and San Antonio Heights Railway	56,593 95	28,973 96	51.2
Pacific Coast Railway	248,995 26	79,226 56	31.8
Pacific Electric Railway	7,844,545 97	2,558,548 43	32.6
Pajaro Valley Consolidated Railroad	84,675 58	4,779 23	-----
Peninsula Railway	285,456 85	69,057 92	24.2
Petaluma and Santa Rosa Railway	171,312 41	69,456 76	40.5
Point Loma Railroad	22,021 33	4,301 76	19.5
Quincy Western Railway	7,442 19	9,048 61	-----
Sacramento Valley and Eastern Railway	13,112 99	29,818 25	-----
San Diego and Cuyamaca Railway	187,047 20	61,655 21	33.0
San Diego Electric Railway	673,114 57	253,834 12	37.7
San Diego Southern Railway	184,564 59	45,491 22	24.7
San Francisco, Napa and Calistoga Railway	179,753 03	77,351 02	43.1
San Francisco, Oakland and San Jose Consolidated Railway	1,354,121 34	422,336 68	31.2
San Jose Railroads, Incorporated	143,979 43	45,734 28	31.7
San Jose and Santa Clara County Railroad	183,814 59	67,412 45	36.7
San Juan Pacific Railway	2,770 03	1,098 86	39.7
San Pedro, Los Angeles and Salt Lake Railroad ..	8,691,974 72	1,495,803 18	17.2
Sierra Railway of California	424,656 75	172,086 59	40.5
Sierra and Mohawk Railway	11,949 23	2,168 23	18.2
South San Francisco Belt Railway	16,295 00	3,027 92	18.6
Southern Pacific Company	91,108,761 40	38,874,624 06	42.7
Stockton Electric Railway	162,022 99	61,908 11	38.2
Stockton Terminal and Eastern Railroad	15,738 02	7,651 98	-----
Sugar Pine Railway	62,993 87	6,020 97	9.5
Sunset Railroad	1,085,525 06	584,104 31	53.8
Sutter Street Railway	13,355 95	1,093 15	8.2
Tonopah and Tidewater Railroad	293,314 03	90,454 92	30.9
Union Traction Company	91,614 61	43,206 99	47.2
United Railroads of San Francisco	7,905,830 00	2,708,568 00	34.2
Ventura County Railway	34,589 56	10,672 60	30.8
Visalia Electric Railway	73,802 78	7,309 90	10.0
Western Pacific Railway	3,027,951 87	701,143 17	23.2
Yosemite Valley Railroad	249,861 23	127,459 75	51.0
Yreka Railroad	26,207 96	7,754 28	29.6
Total	\$230,453,333 47	\$84,750,755 17	36.8

Note.—Figures in italics denote deficit.

*Data secured from Railroad Commission.

TABLE VII.

Ratio of Net to Gross Earnings of California Gas and Electric Companies, excluding certain companies listed in Table XVI.

Name of company.	Gross earnings. 1911.	Net earnings. 1911.	Ratio.
Alturas Electric Power Company.....	\$12,315 23	\$9,107 50	74.0
Amador Electric Light and Power Company.....	17,222 03	9,669 11	56.1
Banning Gas and Lighting Company.....	4,199 50	436 98	10.4
Barstow Utility Company.....	12,749 76	3,452 53	27.0
Bay Point Light and Water Company.....	8,827 15	565 48	6.4
Beaumont Gas and Power Company.....	5,134 12	536 53	10.5
Boulder Creek Electric Light and Water Company.....	3,896 86	1,335 63	34.5
California Natural Gas Company.....	266,791 64	115,892 33	43.4
Calistoga Electric Company.....	1,254 43	41 78	3.3
Central Natural Gas Company.....	7,813 93	3,934 47	50.4
Citizens' Natural Gas Company.....	9,059 28	4,276 00	47.2
Central Oakland Light and Power Company.....	52,356 30	6,025 12	11.5
City Electric Company*.....	931,922 90	432,770 32	46.4
Cloverdale Light and Power Company.....	13,820 88	10,216 63	73.0
Coalinga Gas and Power Company.....	22,759 08	3,752 43	16.4
Coalinga Water and Electric Company.....	60,394 85	25,669 85	38.7
Coast Counties Light and Power.....	252,403 00	132,483 00	52.4
Consolidated Heat, Light and Power.....	34,271 75	12,281 13	35.8
Consumers' Light and Power.....	91,825 21	2,278 07	2.48
Corona Gas and Electric Light Company.....	19,889 48	5,413 78	27.2
Crescent City Light, Water and Power Company.....	5,736 00	114 00	
Davenport Light and Power Company.....	1,378 65	257 90	18.7
Downey Light, Power and Water Company.....	6,384 00	2,636 00	41.0
Eagle Rock Water Company.....	1,431 79	460 76	
Economic Gas Company.....	95,138 77	26,829 45	28.2
Elsinore Electric Light and Power.....	2,966 70	155 97	5.2
Equitable Light and Power.....	79,406 08	19,964 34	25.2
Escondido Utilities Company.....	11,654 00	1,314 00	11.2
California Consolidated Light and Power.....	14,184 65	7,420 76	52.3
Fort Bragg Electric Company.....	27,786 45	11,656 18	42.0
Gilroy Gas Works.....	14,720 78	4,828 66	32.8
Glendora Light and Power Company.....	2,990 13	1,787 95	59.7
Glendale Light and Power Company.....	11,250 05	5,079 26	45.1
Great Western Power Company.....	1,911,011 57	1,057,382 89	55.4
Hanford Gas and Power Company.....	24,086 60	8,854 91	36.7
Hemet-San Jacinto Gas Company.....	6,114 80	385 00	
Holton Power Company.....	161,539 24	53,133 46	32.9
Home Gas and Electric of Newport Beach.....	5,403 20	893 90	16.5
Home Gas Company of Porterville.....	10,427 60	1,553 86	15.0
Imperial Valley Gas Company.....	13,408 12	2,288 02	17.0
Indian Valley Electric Light and Power Company.....	2,918 50	790 18	27.1
Inglewood Gas Company.....	18,552 01	10,806 76	58.3
Invincible Mines Consolidated*.....	6,331 80	4,655 50	73.5
King City Water, Light and Power Company.....	9,769 89	5,569 89	57.0
La Grange Water and Power Company.....	19,711 90	4,374 18	22.2
Lassen Electric Company.....	2,379 95	924 95	38.8
Lompoc Light and Power Company.....	10,048 65	3,911 80	39.0
Livermore Water and Power Company.....	31,057 10	1,873 78	6.0
Long Beach Consolidated Gas Company.....	158,422 31	34,079 12	21.5
Los Angeles Gas and Electric.....	3,785,129 39	937,623 83	24.8
Los Gatos Ice, Gas and Electric.....	31,854 12	14,316 69	45.0
Loyalton Electric Light Company.....	4,836 58	1,397 05	28.9
Lytle Creek Power Company.....	34,091 00	16,016 39	46.9
McKinley Brothers.....	5,237 20	1,499 33	28.8
Mendocino Electric Light and Power Company.....	5,893 31	3,179 49	54.0
Middle Yuba Hydro Electric Power Company.....	2,654 56	1,542 41	
Midway Light and Power Company.....	4,200 00	300 00	
Modesto Gas Light, Coal and Coke Company.....	34,372 45	20,676 76	60.4
Monterey Gas and Electric Company.....	136,251 84	59,300 25	43.5
Mount Diablo Light and Power Company.....	15,203 40	3,225 14	21.2
Mount Knoci Light and Power Company.....	1,373 85	602 57	
Mount Whitney Power and Electric Company.....	380,157 79	227,814 76	60.0
Municipal Light and Power Company*.....	110,738 44	23,890 73	21.5
Napa Valley Electric Company.....	18,945 88	5,440 36	28.8
Nevada California Power Company.....	767,791 74	551,437 53	72.0
Northern California Power Company, Consolidated...	542,110 35	262,481 42	48.4

TABLE VII.—Continued.

Ratio of Net to Gross Earnings of California Gas and Electric Companies, excluding certain companies listed in Table XVI.

Name of company.	Gross earnings. 1911.	Net earnings. 1911.	Ratio.
Oceanside Electric and Gas Company-----	\$5,621 52	\$235 43	4.2
Ontario Power Company-----	78,314 41	54,102 93	69.1
Ontario Upland Gas Company-----	19,958 59	9,561 56	48.0
Oro Electric Corporation-----	14,701 00	11,099 00	75.5
Oroville Light and Power Company-----	72,074 00	2,430 00	3.4
Pacific Gas and Electric Company-----	14,858,997 29	4,823,359 73	33.5
Pacific Light and Power Corporation-----	2,154,793 22	649,711 38	30.2
Pacific Power Company-----	28,449 54	17,362 86	61.0
Palo Alto Gas Company-----	38,392 48	9,532 25	24.8
Paso Robles Light and Water Company-----	7,925 78	3,736 54	47.1
Pinole Electric Light and Power Company-----	6,012 37	2,930 35	48.7
Rialto Light, Power and Water Company-----	5,937 19	2,873 09	48.4
Rochester Oil Company-----	8,968 45	3,621 70	40.4
Russell Robison Water and Electric Company-----	8,578 02	2,067 70	24.1
Sacramento Natural Gas Company-----	82,803 60	35,366 80	42.7
Sacramento Valley Power Company-----	76,709 86	18,357 80	23.9
San Bernardino Valley Gas Company-----	108,500 25	26,917 78	24.8
San Benito Light and Power Company-----	30,139 25	17,948 16	59.5
San Diego Consolidated Gas and Electric Company-----	753,820 15	410,148 86	54.4
San Joaquin Light and Power Corporation-----	911,555 20	386,129 46	42.4
San Luis Gas and Electric Company-----	61,873 23	27,820 29	45.0
Santa Barbara Gas and Electric Company-----	215,000 19	75,585 87	35.2
Santa Maria Electric and Gas Company-----	23,059 30	4,042 99	17.5
Santa Maria Gas and Power Company-----	29,056 42	17,731 58	61.0
Sierra and San Francisco Power-----	782,018 20	550,231 62	70.6
Siskiyou Electric Power and Light Company-----	85,853 16	60,166 29	70.1
Snow Mountain Water and Power Company-----	121,220 06	71,089 40	58.5
Southern California Edison Company-----	3,609,397 99	1,334,445 04	37.0
Southern California Gas Company-----	419,659 22	132,042 51	31.5
Southern Counties Gas Company-----	153,811 48	47,803 58	31.2
Southern Sierras Power Company-----	5,710 26	1,899 64	33.3
South San Francisco Power and Light-----	56,466 95	17,352 63	30.7
Southside Light and Power Company-----	14,330 71	3,180 26	22.1
Standard Consolidated Mining Company-----	5,106 64	4,252 86	
Surprise Valley Electric Light and Power-----	3,149 75	1,411 51	44.8
Trinity County Water and Power Company-----	1,000 00	545 00	
Truckee Electric Light and Power Company-----	11,674 26	2,385 72	20.4
Truckee River General Electric Company-----	264,500 75	196,427 40	74.2
Tuolumne Company Electric Power and Light-----	27,634 03	4,475 66	16.1
Tuolumne Electric Company-----	4,001 14	2,655 50	
Tuolumne Transmission Company-----	6,135 09	2,118 67	
Ukiah Gas Company-----	4,252 79	45 38	1.0
Vacaville Water, Light and Power Company-----	13,634 20	4,033 76	36.1
Vallejo Electric Light and Power Company-----	91,734 75	21,984 62	23.9
Valley Gas and Fuel Company-----	45,499 89	3,128 98	6.8
Ventura County Power Company-----	186,208 20	96,825 45	51.9
Weaverville Electric Company-----	4,245 35	1,688 75	39.7
Western Fuel, Gas and Power Company-----	27,043 00	6,120 42	22.6
Western States Gas and Electric Company-----	859,497 84	532,878 10	61.9
West Sacramento Electric Company-----	2,546 20	1,907 53	74.9
Yosemite Power Company-----	33,443 39	14,282 34	42.7
Grand total-----	\$36,322,952 18	\$13,887,916 09	38.23

Note.—Figures in italics denote deficit.

*Data from report with Railroad Commission.

TABLE VIII.

Ratio of Net to Gross Earnings of California Telephone and Telegraph Companies, excluding certain companies listed in Table XVII.

Telephone companies.	Gross earnings. 1911.	Net earnings. 1911.	Per cent.
Adelaide Rural Telephone	\$230 95	\$20 80	9.
Arizona, California and Nevada Telephone.....	7,657 79	3,757 95	49.
Bay Cities Home Telephone Company.....	530,229 00	156,066 00	30.
Bodie Hawthorne Telegraph and Telephone Company.....	1,048 65	323 84	31.
California and Oregon Telegraph Company.....	10,602 24	284 53	2.7
California Northern Telephone and Telegraph Co.....	4,893 38	1,419 16	29.
California Telephone and Light Company.....	33,615 00	10,633 00	32.
Campbell Telephone Company	312 00	274 00	90.
Cheteo Southern Telephone Company.....	1,715 00	1,180 00	69.
Chinese Camp, Jamestown and Sonora Telegraph Co.....	70 97	33 47	47.
Coachella Valley Home Telephone and Telegraph Co.....	2,209 11	699 86	31.
Cohusa County Telephone Company.....	20,895 01	4,383 96	21.
Consolidated Utilities Company	11,854 78	6,421 20	54.
Corona Union Telephone and Telegraph.....	12,301 19	8,669 84	70.
Del Norte People's Telephone Company.....	1,875 60	894 67	48.
Dos Palos Telephone Company.....	1,884 13	314 74	17.
Downey Home Telephone and Telegraph Company.....	8,403 59	5,548 18	66.
Dry Creek and Healdsburg Telephone Company.....	435 20	143 27	33.
Eastside Telephone Company	2,154 16	24 33	1.
Eel River and Southern Telephone Company.....	5,897 68	1,512 21	26.
Fowler Independent Telephone Company.....	6,293 47	31 15	.5
Gilroy Telephone Company	4,092 36	798 77	19.
Glenn County Telephone Company.....	14,108 36	5,499 13	39.
Home Telephone and Telegraph, Los Angeles.....	1,237,323 01	582,882 58	47.
Home Telephone and Telegraph, Pasadena.....	128,886 27	83,513 46	65.
Home Telephone and Telegraph, Santa Barbara.....	96,761 37	37,969 61	39.
Home Telephone and Telegraph, Sycamore.....	133 30	91 30	68.
Home Telephone and Telegraph of Covina.....	28,411 04	14,250 32	50.
Huntington Beach Company	2,770 39	351 03	13.
Imperial Telephone Company	25,230 89	10,320 07	41.
Inyo Telephone Company	12,402 00	5,347 41	43.
Kerman Telephone Company	500 58	163 90	28.
Kern Mutual Telephone Company.....	45,000 00	21,000 00	47.
Klamath Telephone and Telegraph Company.....	3,555 88	2,143 37	60.
Los Gatos Telephone Company.....	8,276 63	2,334 82	28.
Lost Hills Telephone and Telegraph Company.....	2,099 22	127 12	6.
Nevada, California, Oregon Telegraph and Telephone.....	1,881 19	979 13	52.
New Freeport Telephone and Telegraph Company.....	13,031 66	4,031 44	31.
Oxnard Home Telephone Company.....	15,766 35	7,788 68	49.
Pacific Telephone and Telegraph Company.....	14,751,927 32	3,671,833 22	25.
Paso Robles and Shandon Telephone.....	1,570 25	670 25	43.
Pomona Valley Telephone and Telegraph Company.....	54,189 92	27,089 19	50.
Red Hill Telephone Company.....	176 08	158 08	90.
Redondo Home Telephone Company.....	5,797 06	773 63	13.
Rio Vista Telephone and Telegraph Company.....	2,682 05	258 60	9.
Riverside Home Telephone and Telegraph.....	32,834 51	17,540 09	53.
San Bernardino Valley Telephone and Telegraph.....	6,293 66	1,132 36	18.
San Diego Home Telephone Company.....	132,773 05	81,175 85	61.
San Fernando Valley Home Telephone.....	10,500 06	5,977 67	57.
San Gabriel Valley Home Telephone.....	20,376 58	9,773 61	48.
Santa Monica Bay Home Telephone.....	29,743 87	13,412 08	45.
Santa Paula Home Telephone.....	8,432 53	3,350 72	40.
Searchlight and Western Telephone.....	1,342 52	800 81	60.
Sierra Madre Telephone and Telegraph Company.....	5,259 56	2,493 63	47.
Siskiyou Telephone Company	4,756 45	1,878 40	40.
Smeltzer Home Telephone and Telegraph Company.....	5,821 17	3,147 94	54.
Southwestern Home Telephone Company.....	74,019 45	40,969 47	56.
Tulare Home Telephone and Telegraph Company.....	12,500 00	7,748 00	62.
Turlock Home Telephone and Telegraph Company.....	8,058 50	3,258 50	40.
Union Home Telephone and Telegraph Corporation.....	129,453 37	56,356 17	43.
U. S. Long Distance Telephone and Telegraph.....	257,275 54	83,819 48	33.
Upper Dry Creek Telephone Company.....	453 00	294 70	65.
Western Union Telegraph Company.....	37,260,978 99	6,603,416 50	18.
West Side Telephone Company.....	144 00	78 24	55.
Whittier Home Telephone and Telegraph.....	28,824 22	16,536 98	58.
Willits Telephone and Telegraph Company.....	2,576 31	542 59	21.
Totals	\$55,153,646 02	\$11,636,850 15	21.10

TABLE IX.

Stock and Bond Valuation of California Railroads and Street Railways and Ratio of Taxes thereto, excluding certain small companies listed in Table XV.

Company.	Tax, 1912.	Estimated value.	
Amador Central Railroad	\$4,023 94	\$594,200	.6772%
Arcaata and Mad River Railroad	5,438 38	633,000	.8590%
Atehison, Topeka and Santa Fé Railway	814,227 56	88,907,821	.9158%
Bakersfield and Kern Electric Railway	4,200 35	486,000	.8642%
Bay Point and Clayton Railroad	1,933 54	214,285	.9023%
Boea and Loyalton Railroad	4,427 14	454,390	.9743%
Bueksport and Elk River Railroad	958 74	230,000	.4166%
Butte County Railroad	6,442 56	1,124,925	.5727%
California Street Cable Railroad	16,285 30	2,156,750	.7550%
California Western Railroad and Navigation Company	11,231 76	1,738,570	.6460%
Central California Traction Company	11,669 10	2,159,162	.5404%
Colusa and Lake Railroad	1,025 84	105,928	.9676%
Diamond and Caldor Railway	3,440 66	390,000	.8822%
Fresno Traction Company	6,792 70	780,000	.8708%
Holton Interurban Railway	2,274 12	180,000	1.2633%
Humboldt Northern Railway	1,522 26	445,500	.3417%
Humboldt Transit Company	3,254 94	293,357	1.1093%
Iron Mountain Railway	1,396 78	227,800	.6128%
Klamath Lake Railroad	1,014 86	91,410	1.1093%
Lake Tahoe Railway and Transportation Company	2,687 06	284,620	.9440%
Los Angeles and Mt. Washington Railway	165 24	17,000	.9720%
Los Angeles and San Diego Beach Railway	2,786 46	167,957	1.6588%
Los Angeles Railway Corporation	227,346 90	23,374,042	.8620%
McCloud River Railroad	15,568 76	2,400,000	.6487%
Mill Valley and Mt. Tamalpais Scenic Railway	3,076 70	348,975	.8814%
Monterey and Pacific Grove Railway	1,499 14	118,800	1.2619%
Nevada, California, Oregon Railroad, including Sierra and Mohawk, Sierra Valley	11,429 64	1,664,715	.6863%
Nevada County Narrow Gauge Railroad	4,886 28	501,528	.9742%
Nevada County Traction Company	1,129 62	137,030	.8243%
Northern Electric Railway	27,490 66	6,590,000	.4229%
Northwestern Pacific Railroad	150,972 77	17,152,105	.8801%
Ocean Shore Railroad	8,760 88	1,035,000	.8464%
Ontario and San Antonio Heights Railway	2,263 76	335,828	.6741%
Pacific Coast Railway Company	7,959 80	1,164,520	.6835%
Pacific Electric Company	412,664 53	44,827,765	.9206%
Pajaro Valley Consolidated Railway Company	3,458 32	599,775	.5853%
Peninsula Railway Company	10,142 76	1,410,000	.7192%
Petaluma and Santa Rosa Railway	6,822 36	1,022,600	.6671%
Point Loma Railroad	803 68	131,000	.6134%
Quincy Western Railroad	297 70	63,416	.4694%
Sacramento Valley and Eastern Railroad	524 52	100,000	.5245%
San Diego and Cuyamaca Railroad	7,426 78	866,971	.8563%
San Diego Electric Railroad	26,704 24	2,309,000	1.1610%
San Diego Southern Railway	7,394 68	500,000	1.4789%
San Francisco, Napa and Calistoga Railway	7,190 12	1,210,000	.5942%
San Francisco—Oakland Terminals, including East Shore and Suburban Railway, Oakland Traction (California Railways), and San Francisco, Oakland and San Jose Railroad	211,211 85	33,604,168	.6285%
San Jose and Santa Clara County Railroad	7,344 74	1,462,500	.5022%
San Jose Railroads, Incorporated	5,749 68	714,400	.8048%
San Juan Pacific Railway	110 80	32,000	.3462%
San Pedro-Los Angeles and Salt Lake Railroad	145,307 79	13,569,918	1.0708%
Sierra Railway of California	16,948 94	2,074,246	.8171%
Southern Pacific Company	2,811,286 34	289,929,398	.9696%
South San Francisco Belt Railroad	651 80	50,000	1.3036%
Stockton Electric Company	6,480 92	676,580	.9578%
Sugar Pine Railway	2,519 74	180,000	1.3998%
Sunset Railroad Company	43,421 00	5,195,000	.8358%
Tonopah and Tidewater Railroad Company	10,329 00	772,712	1.3366%
Union Traction Company	3,664 58	553,950	.6615%
United Railroads of San Francisco	333,922 90	38,657,775	.8938%
Ventura County Railway	1,455 46	225,000	.6469%
Visalia Electric Railroad Company	2,947 30	240,000	1.2280%
Yosemite Valley Railroad Company	9,994 44	900,000	1.1105%
Yreka Railroad	1,046 90	90,431	1.1577%
Grand totals	\$5,467,408 07	\$301,365,823	.9092%

TABLE X.

Stock and Bond Valuation of California Gas and Electric Companies, and Ratio of Taxes thereto, excluding certain small companies, listed in Table XVI.

Company.	Tax, 1912.	Estimated value.	Ratio.
Alturas Electric Power Company.....	\$492 60	\$99,630	.4944%
Amador Electric Light and Power Company.....	1,378 46	91,800	1.5016%
Banning Gas and Lighting Company.....	167 98	11,240	1.4944%
Barstow Utility Company.....	68 14	5,091	1.3381%
Bay Point Light and Water Company.....	219 30	12,422	1.7654%
Beaumont Gas and Power Company.....	205 36	19,748	1.0399%
Boulder Creek Electric Light and Water Company.....	67 98	5,237	1.2980%
Butte County Power, Light and Water Company.....	94 66	14,912	.6347%
California Natural Gas Company.....	10,671 66	1,048,825	1.0175%
California Telephone and Light Company (electric).....	691 68	68,000	1.0172%
Central Natural Gas Company.....	312 56	19,900	1.5706%
Central Oakland Light and Power Company.....	2,175 94	295,800	.7356%
Cloverdale Light and Power Company.....	552 84	89,645	.6167%
Coalinga Gas and Power Company.....	910 36	42,527	2.1406%
Coalinga Water and Electric Company.....	2,679 20	475,868	.5630%
Coast Counties Light and Power Company†.....	11,301 70	1,268,000	.8913%
Consolidated Heat, Light and Power Company.....	1,371 66	121,000	1.1336%
Consolidated Utilities Company.....	187 42	18,050	1.0383%
Consumers' Light and Power Company.....	3,723 03	100,000	3.7230%
Corona Gas and Electric Company.....	795 58	51,250	1.5523%
Davenport Light and Power Company.....	55 14	1,250	4.4112%
Downey Light, Power and Water Company.....	255 36	20,000	1.2768%
Elsinore Electric Light and Power Company.....	118 66	4,175	2.8421%
Economic Gas Company.....	3,392 02	322,600	1.0514%
Equitable Light and Power Company.....	3,259 47	219,000	1.4883%
Fort Bragg Electric Company.....	1,103 38	124,838	.8828%
Gilroy Gas Works.....	413 96	35,000	1.1827%
Glendora Light and Power Company.....	119 60	20,000	.5989%
Hanford Gas and Power Company.....	963 46	44,451	2.1675%
Holton Power Company†.....	2,212 38	300,000	.7374%
Home Gas and Electric Company, Newport Beach.....	216 12	18,646	1.1591%
Imperial Valley Gas Company.....	471 64	85,000	.5548%
Invincible Mines, Consolidated.....	180 00	9,309	1.9330%
King City Water, Light and Power Company.....	214 38	23,100	.9281%
Livermore Water and Power Company.....	1,242 78	71,715	1.7322%
Los Angeles Gas and Electric Corporation.....	158,256 96	13,384,203	1.1824%
Los Gatos Ice, Gas and Electric Company.....	1,274 16	175,045	.7278%
Long Beach Consolidated Gas Company.....	6,336 88	543,611	1.1657%
McKinlay Bros.....	58 06	5,820	.9375%
Mendocino Electric Light and Power Company.....	235 72	15,000	1.5714%
Modesto Gas, Light, Coal and Coke Company.....	1,159 46	59,255	1.9567%
Monterey County Gas and Electric Company.....	4,819 62	687,731	.7008%
Mt. Whitney Power and Electric Company.....	15,206 30	1,520,000	1.0004%
Municipal Light and Power Company.....	4,007 94	278,918	1.4369%
Napa Valley Electric Company.....	757 84	54,750	1.3841%
Nevada-California Power Company*.....	5,629 26	888,550	.6335%
Northern California Power Company, Consolidated (includes Sacramento Valley Power Company).....	30,469 11	9,861,219	.3089%
Oceanside Electric and Gas Company.....	172 18	15,314	1.1243%
Ontario Power Company.....	3,132 58	551,000	.5685%
Ontario Upland Gas Company.....	798 34	50,200	1.5903%
Oro Water, Light and Power Company†.....	7,022 80	572,000	1.2277%
Pacific Gas and Electric Company.....	633,195 54	89,939,682	.7037%
Pacific Light and Power Corporation.....	112,782 99	15,907,851	.7089%
Palo Alto Gas Company.....	1,522 68	101,600	1.4987%
Rialto Light, Power and Water Company.....	237 48	12,000	1.9790%
Rochester Oil Company.....	356 56	46,000	.7751%
Russell Robison Water and Electric Company.....	343 12	17,825	1.9805%
Sacramento Natural Gas Company.....	3,312 14	665,000	.4980%

TABLE X.—Continued.

Stock and Bond Valuation of California Gas and Electric Companies, and Ratio of Taxes thereto, excluding certain small companies, listed in Table XVI.

Company.	Tax, 1912.	Estimated value.	Ratio.
San Bernardino Valley Gas Company.....	\$4,340 00	\$394,600	1.0998%
San Diego Consolidated Gas and Electric Company.....	29,999 45	5,079,022	1.5907%
San Joaquin Light and Power Corporation.....	36,764 33	6,878,860	.5343%
San Luis Gas and Electric Company.....	2,475 12	219,000	1.1301%
Santa Barbara Gas and Electric Company.....	8,600 00	885,336	.9714%
Santa Maria Gas and Power Company.....	1,162 26	90,000	1.2914%
Sierra and San Francisco Power Company.....	32,139 14	4,000,000	.8035%
Siskiyou Electric Power and Light Company.....	3,781 57	780,270	.4846%
Snow Mountain Water and Power Company.....	4,839 82	665,730	.7269%
Southern California Edison Company.....	151,598 55	18,971,873	.7990%
Southern Counties Gas Company.....	6,152 46	642,000	.9583%
South San Francisco Power and Light Company.....	2,258 68	156,173	1.4462%
Southside Light and Power Company.....	573 22	23,566	2.4323%
Surprise Valley Electric Light and Power Company.....	125 98	14,530	.8670%
Truckee River General Electric Company.....	979 11	41,655	2.3504%
Tuolumne County Electric Power and Light Company.....	903 38	35,900	2.5163%
Tuolumne Electric Company.....	155 84	30,000	.5195%
Vacaville Water, Light and Power Company.....	545 36	47,500	1.1481%
Vallejo Electric Light and Power Company.....	3,021 54	82,330	3.6700%
Valley Gas and Fuel Company.....	1,820 00	100,000	1.8200%
Ventura County Power Company.....	6,063 74	1,013,000	.5985%
Weaverville Electric Company.....	169 80	14,325	1.1853%
Western Fuel, Gas and Power Company.....	1,081 72	59,659	1.8131%
Western States Gas and Electric Company.....	34,726 86	5,112,075	.6793%
Unassigned Panama-Pacific Exposition tax.....	\$1,377,652 11	\$185,877,507	.7499%
	16,230 00		
	\$1,393,882 11		

*Includes South Sierra Power Company.

†Includes San Benito Light and Power Company.

‡Includes Oroville Electric Corporation and the Oroville Light and Power Company.

TABLE XI.

Stock and Bond Valuation of California Telephone and Telegraph Companies, and Ratio of Taxes thereto, excluding certain small companies listed in Table XVII.

Company.	Tax, 1912.	Value.	Ratio.
Alpaugh Telephone and Telegraph Company.....	\$16 52	\$1,267	1.3032%
Arizona, California and Nevada Telephone Company.....	51 26	3,306	1.5510%
California and Oregon Telephone Company.....	329 84	32,626	1.0110%
California Northern Telephone Company	171 48	14,190	1.2084%
California Telephone and Light Company.....	1,246 40	132,060	.9443%
Chetco Southern Telephone Company.....	54 82	4,535	1.2068%
Coachella Valley Home Telephone Company.....	77 32	7,600	1.1045%
Colusa County Telephone Company.....	684 58	52,500	1.3039%
Consolidated Utilities Company.....	414 92	47,111	.8807%
Corona Union Telephone and Telegraph Company.....	430 54	47,350	.9093%
Del Norte People's Telephone Company.....	65 64	5,721	1.1474%
Dos Palos Telephone Company.....	65 94	4,045	1.6302%
Downey Home Telephone and Telegraph Company.....	294 62	40,000	.7365%
Fel River and Southwestern Telephone Company.....	206 24	10,550	1.9548%
Gilroy Telephone Company.....	143 22	8,200	1.7466%
Glenn County Telephone Company.....	493 73	45,931	1.0750%
Home Telephone and Telegraph Company, Los Angeles.....	48,592 23	4,378,978	1.1697%
Home Telephone and Telegraph Company, Pasadena.....	4,381 36	583,320	.7511%
Home Telephone and Telegraph Company, Santa Barbara.....	3,372 16	281,000	1.2000%
Home Telephone and Telegraph Company, Covina.....	1,016 84	88,925	1.1435%
Imperial Telephone Company	875 50	35,000	2.5014%
Inyo Telephone Company.....	434 08	31,050	1.3979%
Los Gatos Telephone Company.....	289 68	22,450	1.2963%
New Freeport Telephone and Telegraph Company.....	456 10	27,300	1.6707%
Oxnard Home Telephone Company.....	551 82	70,700	.7805%
Pacific Telephone and Telegraph Company.....	358,827 68	42,332,553	.8476%
Paso Robles and Shandon Telephone Company.....	54 96	4,180	1.3149%
Pomona Valley Telephone and Telegraph Company.....	1,896 64	120,700	1.5714%
Redondo Home Telephone Company.....	202 90	14,250	1.4238%
Riverside Home Telephone and Telegraph Company.....	1,149 20	82,800	1.3879%
Roseville Home Telephone Company.....	86 64	4,570	1.8958%
San Bernardino Valley Telephone and Telegraph Company.....	220 28	35,000	.6286%
San Diego Home Telephone Company.....	4,647 06	641,585	.7243%
San Fernando Valley Home Telephone Company.....	397 50	34,000	1.0808%
San Gabriel Valley Home Telephone Company.....	713 18	100,200	.7117%
Santa Monica Bay Home Telephone Company.....	1,041 04	108,000	.9639%
Santa Paula Home Telephone Company.....	295 14	26,400	1.1180%
Sierra Madre Telephone and Telegraph Company.....	184 08	10,140	1.8154%
Siskiyou Telephone Company	166 48	10,000	1.6648%
Smeltzer Home Telephone Company.....	203 74	2,147	.9490%
Southwestern Home Telephone Company.....	2,590 68	312,250	.8295%
Tulare Home Telephone and Telegraph Company.....	425 28	24,930	1.7069%
Turlock Home Telephone and Telegraph Company.....	282 04	15,000	1.8802%
Union Home Telephone and Telegraph Corporation.....	4,530 16	436,750	1.0373%
United States Long Distance Telephone Company.....	9,004 64	579,560	1.5537%
Western Union Telegraph Company.....	26,457 50	2,377,000	1.1131%
Whittier Home Telephone and Telegraph Company.....	1,007 74	73,940	1.3630%
Panama-Pacific Exposition tax (unassigned).....	\$479,071 45	\$53,321,040	.9060%
	4,039 00		
	\$483,110 45		

TABLE XII.

Railroads and Street Railways valued at over \$5,000,000.
(Market value and ratio of tax to value, separately stated.)

Company.	Tax, 1912.	Valuation.	Ratio per cent.
Atchison, Topeka and Santa Fé Railway.....	\$814,227 56	\$88,907,821	.9158
Los Angeles Railway Company.....	227,346 99	21,374,642	.8320
Northern Electric Company.....	27,490 66	6,500,000	.4229
Northwestern Pacific Railroad Company.....	150,972 77	17,152,105	.8801
Pacific Electric Railway.....	412,664 53	44,827,765	.9203
San Francisco-Oakland Terminal Railways.....	211,211 85	33,604,168	.6285
San Pedro, Los Angeles and Salt Lake Railroad.....	145,307 79	13,569,918	1.0708
Southern Pacific Company.....	2,811,286 34	289,929,398	.9396
Sunset Railroad Company.....	43,421 00	5,195,000	.8358
United Railroads of San Francisco.....	333,922 90	38,657,775	.8358
Totals.....	\$5,177,852 30	\$564,717,992	.9169
All others.....	\$289,555 77	\$36,647,831	.7971

TABLE XIII.

Market Value and Ratio of California Gas and Electric Companies valued at over \$5,000,000, separately stated.

Company.	Tax, 1912.	Estimated value.	Ratio per cent.
Los Angeles Gas and Electric Corporation.....	\$158,256 93	\$13,384,203	1.1824
Northern California Power Company, Consolidated.....	30,469 11	9,861,219	.3089
Pacific Gas and Electric Company.....	633,195 54	89,939,682	.7037
Pacific Light and Power Corporation.....	112,782 99	15,907,851	.7089
San Joaquin Light and Power Corporation.....	36,764 33	6,878,850	.5345
Southern California Edison Company.....	151,598 55	18,971,873	.7990
Totals.....	\$1,123,037 48	\$154,973,688	.7246
All others.....	257,282 06	30,903,819	.8325

TABLE XIV.

Telephone Companies valued at over \$100,000.

Company.	Tax, 1912.	Value.	Ratio per cent.
California Telephone and Light Company.....	\$1,246 40	\$132,000	.9443
Home Telephone and Telegraph Company, Los Angeles.....	48,592 23	4,378,978	1.1097
Home Telephone and Telegraph Company, Pasadena.....	4,381 36	583,320	.7511
Home Telephone and Telegraph Company, Santa Barbara.....	3,372 16	281,680	1.2000
Home Telephone and Telegraph Company of Covina.....	1,013 84	83,925	1.1435
Pacific Telephone and Telegraph Company.....	358,827 68	42,332,553	.8476
Pomona Valley Telephone and Telegraph Company.....	1,896 64	120,700	1.5714
San Diego Home Telephone Company.....	4,647 06	641,585	.7243
San Gabriel Valley Home Telephone Company.....	713 18	100,200	.7117
Santa Monica Bay Home Telephone Company.....	1,041 04	108,000	.9639
Southwestern Home Telephone Company.....	2,599 68	312,250	.8295
Union Home Telephone and Telegraph Company.....	4,530 16	437,750	1.0373
United States Long Distance Telephone Company.....	9,004 64	579,560	1.5537
Western Union Telegraph Company.....	26,457 50	2,377,000	1.1131
Totals.....	\$408,317 57	\$52,472,821	.8295
All smaller.....	14,972 88	848,219	1.7440

TABLE XV.

Railroads and Street Railways Omitted from valuation in the present investigation.

Company.	Taxes, 1912.	Reasons for not valuing.
Angels' Flight Incline.....	\$631 50	Not a corporation.
Bakersfield and Ventura Railroad.....	71 88	Now Ventura County Railway.
Butte and Plumas Railroad.....	672 58	Closed by strike.
California Railway.....	2,348 00	Controlled by Oakland Traction Co.
Court Flight Incline.....	80 80	Not a corporation.
Crescent City Railway.....	2,784 16	Operated by Pacific Electric Co., except freight.
East Shore and Suburban Railway.....	7,507 86	Combined in San Francisco—Oakland Terminals.
Geary-Street Park and Ocean Railway....	7,306 63	Defunct.
Glendale and Eagle Rock Railway.....	536 64	Small road, operating under exceptional conditions.
Hanford and Summit Lake Railway.....	90 76	Added to Southern Pacific Railroad.
Madera Railway.....	73 36	Stock all retained by founder; data inadequate.
Modesto and Empire Traction.....	40 32	Data insufficient.
Oakland and Antioch Railway.....	569 00	Under construction.
Oakland Traction Railway.....	123,714 34	Combined in San Francisco—Oakland Terminals.
Oregon and Eureka Railroad.....	5,153 66	Defunct.
Pacific Gas and Electric Railway.....	21,329 14	Sacramento-Street Car Line, carried into Gas and Electric.
Porterville Northeastern Railway.....	261 02	Under construction.
Presidio and Ferries Railroad.....	11,873 08	Franchise expires 1913.
Santa Barbara Consolidated Railroad....	2,673 26	Data insufficient.
Shasta Springs Scenic Railway.....	16 64	Data insufficient.
Sierra and Mohawk Railway.....	477 96	Included with Nevada-California Railway.
Sierra Valley Railway.....	237 92	Now Sierra and Mohawk.
South San Francisco Railroad and Power Company.	726 96	Data insufficient.
Stockton Terminal and Eastern Railroad	629 52	Under construction.
Sutter-Street Railway.....	534 24	Combined with United Railways.
Watsonville Railway and Navigation Co..	149 42	Successor to a company sold at foreclosure in 1911.

TABLE XVI.

Gas and Electric Companies not valued in the present investigation.

Company.	Taxes, 1912.	Reasons for omitting.
Angeles Electric Light and Power Co....	\$1,741 72	Business incidental to a mine.
Arcata Light and Power Company.....	126 94	Now dead.
Brookdale Land Company.....	35 64	Electrical business incidental.
California Consolidated Land and Power Company.	537 38	Information inadequate.
Calistoga Electric Company.....	50 18	Information inadequate.
Citizens' Natural Gas Company.....	362 36	Information inadequate.
Colfax Hotel Company.....	60 00	Business incidental.
Collins Commercial Company.....	5 94	Business incidental.
Crescent City Light and Water and Power Company.	229 44	Information inadequate.
Eagle Rock Water Company.....	14 86	Electrical business incidental.
Escondido Utilities Company.....	466 16	Information inadequate.
Estate of F. H. Bell.....	493 26	Not a corporation.
Exchequer Mining and Power Company..	38 18	Plant washed away.
Ferndale Electric Lighting Company.....	185 42	Dead.
Fortuna Lighting Company.....	196 60	Dead.
G. H. Johnson.....	289 40	Not a corporation.
Glendale Light and Power Company.....	450 00	Information inadequate.
Great Western Power Company.....	76,440 46	A new company, not earning up to the capacity of its plant.

TABLE XVI.—Continued.

Gas and Electric Companies not valued in the present investigation.

Company.	Taxes, 1912.	Reasons for omitting.
Hemet—San Jacinto Gas Company.....	244 60	Information inadequate.
H. G. Lacey Company.....	2,669 20	Does a flour business, impossible to seg- regate.
Home Gas Company of Porterville.....	417 10	Information inadequate.
H. S. Roach	137 96	Not a corporation.
Huntington Beach Company.....	204 54	Business incidental.
Indian Valley Electric Light and Power Company.....	116 74	Information inadequate.
Inglewood Gas Company.....	742 08	Information conflicting.
Jackson Gas Light Company.....	172 04	Not a corporation.
James Branham	9 86	Not a corporation.
Joseph Shaw	58 40	Not a corporation.
La Grange Water and Power Company..	788 48	Information inadequate.
Lassen Electric Company.....	95 20	Began operating August 1, 1911.
Little Shasta Power Company.....	13 58	Dead.
Lompoc Light and Power Company.....	401 94	Information inadequate.
Loyalton Electric Light Company.....	193 46	Information inadequate.
Lytle Creek Power Company.....	1,333 64	Included in Southern Sierras Power Co.
Middle Yuba Hydro Electric Power Co..	106 18	Information inadequate.
Midway Light and Power Company.....	168 00	Included in San Joaquin Light and Power.
Minor Mill and Lumber Company.....	150 36	Included in Western States Company.
Mt. Diablo Light and Power Company..	608 14	Included in Sierra and San Francisco Power Company.
Mt. Knoeti Light and Power Company..	60 36	In operation only since August, 1911.
Northern Water and Power Company....	2,818 38	Included in Pacific Gas and Electric.
Oro Electric Corporation.....	588 04	Included in Oro Water, Light and Power Company.
Oroville Light and Power Company.....	2,882 96	Included in Oro Water, Light and Power Company.
Pacific Power Company.....	237 73	Information inadequate.
Paso Robles Light and Water Company..	317 00	Information inadequate.
Pinole Electric Light and Power Co.....	240 48	Information inadequate.
Quincy Electric Light and Power Co....	158 40	Not a corporation.
Sacramento Valley Power Company.....	3,068 38	Included in Northern California Power.
San Benito Light and Power Company....	1,205 56	Included in Coast Counties Light and Power.
Santa Catalina Island Company.....	229 80	Hotel Company.
Santa Maria Electric and Gas Company..	922 36	Sold to Midland Co.'s Gas and Light.
Sebastopol Light and Power Company....	97 68	Dead.
Southern California Gas Company.....	16,786 36	Included in Pacific Light and Power.
Southern Sierras Power Company.....	228 40	Under construction.
South Sacramento	418 42	Dead.
Standard Consolidated Mining Company	204 26	Business incidental.
Trinity County Water and Power Co....	40 00	Business incidental.
Tuolumne Transmission Company.....	245 40	Information inadequate.
Ukiah Gas Company.....	170 10	Information inadequate.
United Light and Fuel and Power Co....	537 34	Business connected with hotel.
West Sacramento Electric Company.....	101 84	Information inadequate.
Yosemite Power Company.....	1,337 74	Value almost entirely prospective.

TABLE XVII.

Telephone and Telegraph Companies Omitted from the Stock and Bond valuations and the reasons therefor.

Company.	Taxes, 1912.	Reasons for omitting.
Adelaide Rural Telephone Company-----	\$8 08	Appears to be a coöperative company.
Bay Cities Home Telephone Company---	18,417 68	To be included with Pacific Telephone and Telegraph Company.
Campbell Telephone Company-----	10 92	Data insufficient.
Chinese Camp-Jamestown and Sonora Telegraph Company.	2 48	Data insufficient.
Dry Creek and Healdsburg Telephone Company.	11 28	Data insufficient.
Ducor-Hot Springs Telephone and Tele- graph Company.	7 34	New company.
East Side Telephone Company-----	63 82	Data insufficient.
Federal Telegraph Company -----	115 72	Returns show a deficit.
Fowler Independent Telephone Company	220 21	Data insufficient.
Home Telephone Company, Sycamore---	4 66	Coöperative.
Huntington Beach Company -----	96 96	Incidental to other business.
Kerman Telephone Company-----	20 63	Data insufficient.
Klamath Telegraph and Telephone Co.---	10 70	Small amount of business in California.
Lindsay Home Telephone and Telegraph Company.	23 66	Data insufficient.
Lost Hills Telephone and Telegraph Co..	73 46	Data insufficient.
Maclay Rancho Water Company-----	183 70	Business incidental to other.
Modoc and Lassen Telephone Company---	16 93	Data insufficient.
Monrovia Telephone and Telegraph Co.---	566 22	Data insufficient.
Nevada, California and Oregon Telegraph	58 84	Small business within California.
Northern Trinity Telegraph and Tele- phone Company.	15 84	Data insufficient.
Placer County Telephone -----	14 00	Data insufficient.
Postal Telegraph and Cable Company---	5,106 60	Impossible to segregate from general mass of Mackay property.
Red Hill Telephone Company-----	6 16	Data insufficient.
Rio Vista Telephone -----	93 86	Data insufficient.
San Antonio Home Telephone Company--	45 30	Data insufficient.
Sanger Telephone Company -----	70 10	Not a corporation.
San Luis Rey Coöperative Telephone Association.	5 10	Mutual.
Searchlight and Western Telephone Co.---	3 32	Mostly out of the State.
Sierra Telegraph Company -----	15 30	Data insufficient.
Suisun and Green Valley-----	5 36	Data insufficient.
Sunland Rural Telephone Company-----	9 56	Data insufficient.
Tehama County Telephone Company-----	32 34	Data insufficient.
Upper Dry Creek Telephone Company----	15 86	Data insufficient.
Vinton Telephone Company -----	1 28	Data insufficient.
Westside Telephone Company -----	5 04	Data insufficient.
Willitts Telegraph and Telephone Co.---	90 16	Data insufficient.
	\$25,453 68	

TABLE XVIII.
California Railroads and Street Railroad Companies.
 Basis of estimates.

Per-centage.	Bases.	Figures.
72.43	Actual quotations of stocks and bonds.....	\$435,555,510
7.92	Bonds assumed at 90 in view of earnings.....	47,663,844
5.90	Accepted at company's appraisal as reported to State Board of Equalization	35,525,141
5.78	Bonds estimated by analogy with other bonds of same system.....	34,804,744
4.74	Income capitalized at 7 per cent.....	28,537,932
1.66	Unclassified	10,015,386
.81	Securities taken at amount paid in.....	4,903,000
.19	Stock taken at par in view of earnings.....	1,123,100
.19	Present value as estimated by engineer of State Railroad Commission.....	1,193,626
.17	Estimated at value of \$30,000 per mile of line.....	1,037,000
.10	Present value reported by company to State Railroad Commission.....	611,580
.06	Income capitalized at 10 per cent.....	354,430
Total		\$601,328,323

TABLE XIX.
California Gas and Electric Companies.
 Basis of estimates of values.

Per-centage.	Bases.	Figures.
53.45	Actual quotations of stocks and bonds.....	\$99,369,024
12.50	Bonds estimated by analogy with other bonds of the same system.....	23,245,538
10.84	Income capitalized at 8 per cent.....	20,157,852
10.71	Bonds assumed at par, 90, or less, according as interest takes a greater or less percentage of net earnings.....	19,913,607
6.81	Accepted at company's appraisal as rendered to State Board of Equalization	12,659,189
2.92	Accepted at company's appraisal as on record in the formal applications to the State Railroad Commission.....	5,437,425
1.75	Income capitalized at 10 per cent.....	3,256,999
.93	Unclassified	1,740,473
.05	Stock valued at amount paid in.....	97,400
		\$185,877,507

TABLE XX.
Telephone and Telegraph Companies.
 Basis of Valuations.

Per-centage.	Bases.	Figures.
85	Actual quotations	\$45,427,166
11	Bonds by rule of valuation.....	6,063,000
3	Company's appraisal of stocks and bonds.....	1,371,905
1	Income capitalized	279,858
	Two companies, apportioned from electric power.....	179,111
		\$53,321,040

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